









## Woman's career imperilled by false information at Yard

By Stewart Tendler

False information kept on Special Branch files about a young woman filmmaker was disclosed to a potential employer and nearly ruined her career, BBC television's *Panorama* programme said last night.

The mistake was discovered only because the woman's father had been an officer at Scotland Yard and used his influence to find out what had happened. A senior member of the Special Branch apologized, adding that for the intervention of the father nothing would have been done.

The case of Mrs Jan Martin was revealed in the second of two programmes on the work of Britain's espionage and intelligence services. Entitled "The Right to Privacy—The Need to Know" last night's programme focused on the publication today of Lord Diplock's report on telephone tapping.

During the programme Mrs Martin said she first found out about the Special Branch file when she began work for Mr Michael Barratt, the television broadcaster, and his private film company. A prospective client, a building company, said that it would not want to employ her because it had found her to be a security risk.

Eventually Mrs Martin's father, a former detective chief superintendent, found that she had been placed on file after an innocent visit to Holland. She and her husband were travelling through the country

shortly after an incident involving the Baader-Meinhof terrorist group. They stopped at a restaurant and someone wrongly identified her husband as a well-known member of the gang. The couple's car was in Mrs Martin's name, and it was her name that went back to Scotland Yard for inquiries.

Mrs Martin said that she felt at one stage that her career was finished because the false information would dog her. "If one company could get that information, then every other company could get it," she said.

Examining telephone tapping, the programme interviewed Mr Lee Tracey, who claims to have worked for the security services. Mr Tracey said that he carried out tapings, known as "black bag jobs", which were conducted by whatever means he could devise and without a warrant.

Mr Tracey said he did about 70 tapings a year in Britain, and overall about 500 to 600 during his career.

Mr Morlyn Roes, speaking of his time as Home Secretary in the last Labour Government, said all warrants for tapping were personally signed by him.

He said he accepted the dangers surrounding the gathering of information in the age of the computer. There was a need for some form of protection, although in the case of the police protection of privacy called for something other than a data protection group or a privacy Bill.

## Shop issue in dismissals test case

By Marcus Collins Legal Correspondent

The case of the three railwaymen dismissed by British Rail for refusing to join a union comes to the European Court of Human Rights in Strasbourg today.

They are seeking a decision by 21 judges of the European Convention on Human Rights. In January, the European Commission on Human Rights found that there had been a contravention of article 11 of the convention which guarantees the right to freedom of association, including the right to join trade unions.

The men's claim is opposed by the British Government, represented by Mr Ian Percival, the Solicitor-General.

The Railmen Association, which is based in London, sees it as a test case for the legality of the closed shop. But the commission's decision last night did not say that a closed shop was such a breach of the convention.

The Government is clearly embarrassed by the case. The men, Mr Noel James, Mr John Young, and Mr John Smith, are completely untrained and have no experience of the railway. They were dismissed in 1974 and 1976, brought back in 1979, and then dismissed again in 1979, this time for their harsh effects. The Employment Act, 1980, provides that dismissal for not joining a union where there is a closed shop shall be unfair if the worker has an objection on grounds of conscience or deeply held personal conviction.



Mr Noel James leaving Victoria for Strasbourg yesterday.

The men are arguing that that does not go far enough. Although the new law might give them a claim for unfair dismissal, it would not give them their jobs back. They contend that the right to join a trade union under article 11 includes the right not to join a union.

If the court were to accept that reasoning, and make a judgment accordingly, it would mean that all closed shops would be contrary to the convention. Such a ruling would be a grave embarrassment to the Government, but it is extremely unlikely that the court would go that far.

## Britain to sign treaty on computer data

By Frances Gibb

The Government is expected shortly to announce that Britain will sign the Council of Europe convention which provides safeguards for citizens against the misuse of personal information stored in computers.

The decision will be welcomed by industrialists, computer users, the medical profession and civil libertarians, all of whom have become increasingly concerned at lack of government action since the Lindop committee reported on data protection in 1978.

Although the signing commits Britain in principle to changing domestic law to bring it into line with the convention, in practice there is no parliamentary time this session for legislation to enable the Government to ratify the convention.

Mr Dudley Smith, Conservative MP for Warwick and Leamington, who has been pressing the Government over its inaction, said yesterday he would welcome the signing. "This shows good faith. We ought to have been among the first to sign it."

He said he expected that among the legislation fore-shadowed in the Queen's Speech at the beginning of the new parliamentary session would be a Bill on data protection.

"I and others will be using our very best endeavours to making sure that this comes about. If the Bill is not brought in at that stage, one starts running into difficulties over lack of time through being too close to a general election."

The British Medical Association said it would press for effective legislation to be introduced soon.

The convention, which was open for signing at the end of January, comes into force after five member-states have agreed to be bound by it. It has been signed by France, West Germany, Sweden, Denmark, Austria, Luxembourg and Turkey.

Parties to it must not only ensure their domestic law enshrines its principles but also establish sanctions and remedies for violations of that law.

## Revival hope for seven defunct arts magazines

By Martin Huckerby Music Reporter

The group of arts magazines which was forced to close when Hansom Books went into liquidation last autumn may be resurrected as the result of an offer to the liquidator from a Croydon printing company.

*Dance and Dancers, Music and Musicians, Plays and Players, Art and Artists, Books and Bookmen, Films and Filming and Records and Recording* collapsed after the death of the owner and founder of Hansom Books, Mr Philip Dossé, amid heavy debts incurred by the company.

It had been thought that the titles were doomed and efforts were made to launch substitute publications in several fields. However, Mr John Percival, an associate editor of *Dance and Dancers*, who was involved in a scheme to produce a new dance magazine, said the printing company, which he could not name, was negotiating to buy all the titles.

He said the Croydon company had made a conditional offer, which had been accepted. One condition was that a sufficient number of the former editorial staff of the magazines would collaborate in the new venture. Efforts were being made to get in touch with the various writers, who have dispersed since the collapse of Hansom Books.

Mr Percival said that as far as *Dance and Dancers* was concerned, the staff would almost certainly cooperate.

## Pressure for equality in midwifery

By Lucy Hodges

The Government is coming under increasing pressure to give men the same opportunities as women to become midwives, as is stipulated in directives drawn up by the EEC.

Last week Mr Roland Boyes, Labour MEP for Durham, took up the case of a man who has been trying to become a midwife for the past five years.

Mr Norman Imms, of Peterlee in Durham, telephoned his local authority hospital recently to ask for midwifery training in view of the EEC rules.

He was rejected by Sunderland maternity hospital on the grounds that he was a man and that the only places allowed to take men, under the Department of Health and Social Security's regulations, were a hospital in London and a hospital in Scotland.

Mr Boyes in a letter to Mr Patrick Jenkin, Secretary of State for Social Services, says it is discriminatory and unjust that Mr Imms should have to travel to London or Scotland for midwifery training.

At the same time Mr Boyes wrote to the legal division of the EEC for its opinion.

Mr Boyes is hoping that the EEC will put enough pressure on the Government to change the law and if necessary take the United Kingdom to the European Court of Justice in Luxembourg. If the EEC does not do this Mr Imms is prepared to go to court himself.

## Government pledge on BR policy

By Michael Bailey Transport Correspondent

The Government has no intention of closing loss-making railways and substituting buses, Mr Norman Fowler, Secretary of State for Transport, said last night.

But substitution was the policy of the previous administration but the Government's policy was to make the railways more effective, he said in Granada Television's *World In Action* programme on Britain's decaying railways.

Transport economists had earlier criticized British Rail's huge subsidies as "financial suicide" for the Government, and a transfer of wealth from the poor to the rich.

According to a study carried out for Granada, more than half British Rail's fare revenue comes from the wealthiest fifth of the population. Only 13 per cent of fares come from the poorer 40 per cent.

"The railways are used by richer people", Professor Christopher Foster, who helped draft Labour's Transport Act, 1968, said. "The poor have given up using them." Rail subsidies therefore go to the richer sections of the community, such as commuters around London, he said.

Both track and rolling stock are decaying at an alarming rate, according to internal British Rail studies quoted in the programme. More than 500 miles of track renewal is overdue, and it will take a hundred years to replace the ageing diesel locomotive fleet at present rates.

## Nurse was battered before alleged fall, doctor says

The death of Miss Helen Smith, a British nurse, in Saudi Arabia in May, 1979, was not accidental, according to a report from a Danish pathologist commissioned by her father, Mr Ronald Smith.

The nurse was said to have fallen from a sixth-floor balcony at a flat in Jiddah where Mr Richard Smith, a British businessman, and his wife, Penelope, were holding an illegal drinks party.

The report, by Professor Dalggaard, compiled by a private post-mortem examination, concludes that the Smiths had sexual intercourse before her death and she was battered before the alleged fall.

The report says Miss Smith, 40, Leeds, suffered severe injuries all over her body and had "sexual activity of a very rough character" and an injury on the left side of her head which caused brain haemorrhage, and which would have been the cause of death.

The professor concludes: "The widespread bruising injuries to the face, body and extremities could not be accidental or accidental but must be attributed to violence extended by one or more persons before the alleged fall. The results of this autopsy thus confirm the suspicion of a non-accidental death."

According to the report, there were widely distributed injuries of a mild to severe nature on Miss Smith's body, arms and legs, but they were apparently not "life-threatening".

The professor added that marks on her body were consistent with a fall on her right side from a moderate height, but were not consistent with a fall from 70ft on to a marble floor.

"This means that a fall from the sixth floor balcony can be excluded whereas a fall from a moderate height, maybe only a few feet, appears consistent with the findings."

Mr Smith, a former police officer, said last night: "This report confirms my initial suspicion that the Foreign Office is keeping the true details of the death secret. I now think the only way that the truth can be revealed is through a parliamentary select committee inquiry."

A police investigation on behalf of the Leeds Coroner has been conducted. A decision on an inquest is expected soon.

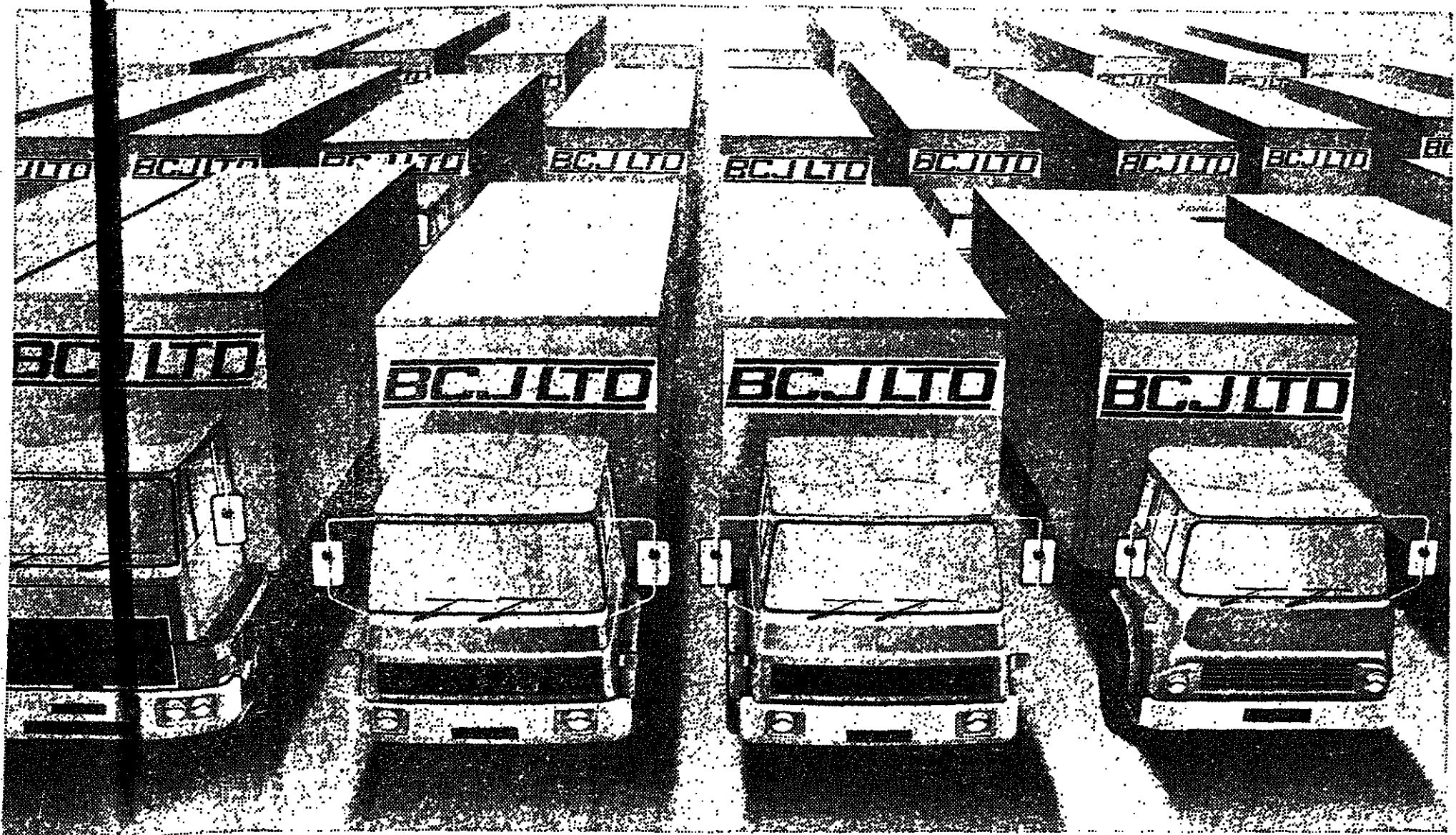
## Council to close sixth form college despite protest

Our Education correspondent

The Government has decided to allow Harrow Borough Council to close Pinner Sixth Form College, despite the protests of thousands of parents of other maintained sixth-forms in the country to close. Harrow Council set up five legions seven years ago to provide sixth-form education to 15 to 18 year olds in the borough. However, the falling number of secondary school pupils, combined with a far greater than expected increase in the number of pupils choosing to stay on in full-time

education after 16, has led to unfilled places. "We really could not justify keeping five colleges open," Mr Graham Hines, chairman of the council education committee, said yesterday. "Pinner was chosen for closure because it had fewer pupils, putting it as their first choice than the other colleges."

A petition containing 19,000 signatures and 140 letters containing a further 35,000 signatures were sent to Mr M. Ark Castle, Secretary of State for Education and Science, appealing to him not to give his approval to the college's planned closure in August, 1982.



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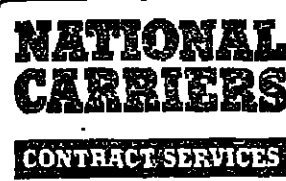
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## HOME NEWS

### Airline asks unions for 1,100 job cuts

By Donald Macintyre  
Labour Reporter

British Airways, which faces losses of about £100m over the current financial year, has told union officials it wants cuts of more than 10 per cent among engineering and maintenance staff over the next 13 months.

Detailed proposals outlined to the unions, who claim that engineering and maintenance staffs have been cut so far from 11,000 to 9,000 involve the further loss of about 1,100 personnel, including 800 skilled craftsmen.

The proposals have come to light at the same time as the separate annual pay negotiations which the financially troubled state airline is conducting with all staff. They are part of a publicly declared redundancy programme which management began 18 months ago.

Overall, the programme also involves a planned 16 per cent reduction in clerical and administrative areas, and a 300 cut in management personnel. British Airways emphasized that previous reductions have been achieved without compulsory redundancies.

Under the programme the airline is scheduled to reduce staff totals to 52,600 by this month. By December, 1980, it had effected a 7 per cent reduction to 49,000 from the August 1979 total of 52,000.

In the case of engineering and maintenance staff union officials are likely to argue that it may be difficult for them to achieve the job losses without compulsory redundancies.

Meanwhile, union officials representing 20,000 engineering and ground services staff are expected to consider their next step on Thursday after rejection by their negotiators of a pay offer.

The state airline has warned the unions that it will not raise its 8 per cent offer, delayed for three months from the normal starting date in January, and a corresponding increase in shift premiums from July.

Shop stewards successfully led a one-day strike at Heathrow on January 23 in protest at the offer, but pulled back from a second stoppage on February 20 after late night pay talks.

At present engineering and maintenance staff are strongly resisting the offer, but it was thought that those representing at least some of the ramp and ground services staff may be leaning towards a settlement.

Representatives of about 16,000 staff are also to consider what is believed to be a recommendation for acceptance of a broadly similar offer.

### Barrister fights tax ruling on clothes expenses

Miss Ann Mallalieu, aged 35, a barrister, went to court yesterday to appeal against a tax commissioners' ruling that she was not entitled to tax relief on the cost of her work wardrobe, black dresses, white blouses, black shoes and tights.

Miss Mallalieu, blonde, had told the commissioners that black did not suit her colouring and that she always wore more fashionable clothes outside work.

They had dismissed her claim for relief on the ground that her work clothes could be worn at any time.

Mr Andrew Park, QC, for Miss Mallalieu, asked Mr Justice Slade in the High Court, London, to quash the commissioners' decision.

The issue was a running sore between lawyers and the Inland Revenue, he said. Barristers were allowed relief on the cost of replacing wigs and gowns, but not on the rest of their "uniform".

Many were awaiting the outcome of the case with interest. Bar Council rules are that barristers must wear unobtrusive dark clothes. Women are advised to draw their hair back and up under their wigs and refrain from wearing conspicuous jewellery.

A judge may refuse to hear a barrister whom he thinks is immorally dishonestly evading the law, Mr Park said. Miss Mallalieu would find it impossible to practise if she did not comply with the rules.

The hearing of her claim, which is expected to last two days, continues today.



Sir Derek Rayner surrounded by his strengthened team of Whitehall efficiency scrutineers.

Whitehall brief: Much bureaucratic blood spilt at No 10 in clash with Civil Service chief

### Sir Derek Rayner asked to stay on in cost-cutting role

By Peter Hennessy

The main news about Sir Derek Rayner, joint managing director of Marks and Spencer, and the Prime Minister's part-time adviser on the elimination of waste, is that he is still there running his tiny staff from a suite in the Cabinet Office. Originally it was intended that he would be succeeded about now by a more permanent arrangement and allowed to return full time to his private sector employer.

The Prime Minister's office seems to have contemplated replacing him with a successor, but Mrs Margaret Thatcher asked him to stay on as her main instrument for curbing the proliferation of central government.

"Familiar faces are comforting and they could not identify an outside candidate with my background," he explains.

Sir Derek and the Prime Minister have reached a compromise. He will remain as a non-executive overseer of the reforms he has launched while,

during the next 18 months, his involvement in Whitehall will be gradually reduced. To compensate for his more frequent absence, his team under the day-to-day guidance of Mr Clive Priestley, his chief-of-staff, has been strengthened.

The additions are Mr Ian Beesly, a chief statistician on secondment from the Government Statistical Service, and Dr Elizabeth Thoms, a higher executive officer (A) on loan from the Civil Service Department whose PhD was won by a study of economic history. They complement Sir Derek's original corps of Mr Priestley, a career administrator, and Mr David Allen, a member of the Government Economic Service.

Last week the Rayner team treated it almost as a personal affront when reminded that since Mrs Thatcher became Prime Minister in May, 1979, the cost of running central government has risen from £5,800m to £8,300m, an increase of 22 per cent. They swiftly pointed

out that thanks to the scrutiny of its functions into the Treasury, they had not been persuaded I am wrong. I have not changed my mind. I am not uplight like a small child. I am going to do my best to make the new arrangements work. Sir Derek says in a manner far more genial than his statement appears in cold print.

Sir Derek compensated for his rare failure to secure total prime ministerial support by forcing changes in a bland first draft of last month's White Paper on *The Future of the Civil Service*.

He will not talk about it, but it is clear from several sources that there was much bureaucratic blood on the carpet in No 10 after a final and now almost legendary drafting meeting attended by Sir Derek and Sir Ian Bancroft, Head of the Home Civil Service, with the Prime Minister acting as referee.

As a result, the Civil Service Department still lives but it has

a fixed set of objectives against which its performance can be measured and a number of reforms dear to Sir Derek's heart, like the need to ensure that future permanent secretaries know how to do as well as the policy maker in a ministry, have been publicly accepted by the Government.

When asked what his greatest failure was Sir Derek replied: "What I am dealing with longer, less changes, like the shape of the central department, the Civil Service is still reluctant to get ahead with the changes where I cannot immediately demonstrate the validity of the argument."

About his greatest success he has no doubt. "I have proven to my own satisfaction that the Civil Service is not the talent needed to bring about changes. It is a very good team, but it needs to be asked to do."

Why as individuals and not as departments? Sir Derek laughs and does not reply.

### Dirty protest ends at Maze jail

From Christopher Thomas  
Belfast

In an abrupt change of tactics, Republican terrorists inside the Maze prison, near Belfast, have stopped fouling their cells for the first time in three years.

A statement from the Republican press centre in west Belfast said the aim was to focus attention on the hunger strike by Robert Sands, which began on Sunday in support of five demands: no prison work, no prison clothing, more visits and mail, free association with other prisoners at all times, and restoration of lost remission.

There were 411 prisoners involved in the "dirty" protest at the Maze when the announcement was made. The 28 women at Armagh jail have also ended their dirty protest after 11 months.

Outside the jail, it has become clear that the Provisional IRA has also changed tactics. Sources indicate that the virtual ending of violence during the 53-day fast last year will not be repeated.

Although the dirty protest has ended, several hundred prisoners will continue to cover themselves in blankets instead of wearing prison clothes.

The four form of protest has never appeared to the Irish and some republican sympathisers believe it has been counter-productive.

Referring to security, Mr

### Hill walker's body identified as that of man who faked 1980 beach suicide

From a Staff Reporter  
Inverness

The body of a hill walker who died accidentally in Skye last week was identified yesterday as that of a man thought by police to have drowned off the south coast of England 10 months ago.

The procurator fiscal at Portree confirmed that the body was that of Keith Greenfield-Hunter, aged 29, who died from exposure in the Cuillins Hills last Thursday and who had been using the name of Keith Tate.

Nearby was the body of Alison Willis, aged 26, who died of multiple injuries in a fall. The procurator fiscal said there were no suspicious circumstances surrounding the deaths.

Mr Sally Greenfield-Hunter identified her husband's body yesterday in the mortuary at Inverness.

The man using the name Tate was found to have a passport and other documents in the name of Greenfield-Hunter.

Mr Greenfield-Hunter disappeared from his home at Pembury, near Tunbridge Wells, last April. His car and clothing were found at a beach in Dorset and it was believed that he had committed suicide.

But the passport showed that since his disappearance, Mr Greenfield-Hunter had been to the United States of America, France and Israel.

The Hampshire police disclosed yesterday that before his disappearance Mr Greenfield-



Keith Greenfield-Hunter, identified as the man who faked 1980 beach suicide.

Hunter had been placed on bail by Winchester magistrates on two charges of stealing antique books worth £750. A week after his appearance for a further remand at Winchester his clothes and car were found at the edge of the sea.

Mr Keith Hunter, as he was known, began studying for a bachelor of education degree in geography in September, 1979, at King Alfred's College, Winchester. After three months he dropped the geography course and took up religious studies.

Police said yesterday that since last July he had lived under the name of Tate, working at a youth hostel in the Lake District. Miss Willis had also worked at a hostel

"Tragic figure": Mr David Cox, who said he was a fellow Christian who had lived with the couple in Keswick, said in a BBC radio interview that he had been in touch with their parents (the Press Association reports).

He described his friend as a "loving and lovable personality" who was also an "incredibly tragic figure".

"He and his wife were involved in a series of car accidents none of which were the fault of either partner."

"The effect of these and other misfortunes was, it seems, to persuade Keith that his wife and other relatives would be better off without him."

He therefore faked his own death and disappeared in April last year, taking on a new identity.

"The relationship between Keith and Alison, who died with him in Skye, was a chaste friendship and this has been verified extensively. Alison was totally unaware of any deception."

The Rev Gerald Cunliffe, curate of St Peter's Church, Pembury, said that after Mr Greenfield-Hunter had disappeared his wife, Barbara, lived in hope that he would eventually return.

Miss Susan Gammon, the daughter of the hostel warden, said that Mr Greenfield-Hunter had said nothing about his background and he was a very evasive man.

### In brief

#### Former detective denies corruption

John Symonds, a former Metropolitan Police detective, pleaded not guilty to three charges of corruption, involving a total of £30, at Teesside Crown Court yesterday.

The charges alleged that Mr Symonds, 42, had accepted or obtained £500 on three occasions in 1969 as a reward for showing favour to a man involved in an arrest. He was remanded in custody. Legal arguments are expected to occupy the next two days of the trial.

**EEC to reconsider 44-ton lorries**

The EEC is to reconsider the issue of heavy lorries after objections from Britain and other members to draft proposals for a 44-ton maximum.

There is a possibility of the existing proposals being adopted in their present form. Mr Kenneth Clarke, parliamentary secretary to the Department of Transport, wrote to Lord Bethel, MEP for north-west London.

**Missing toalt report**

Mr Keith Speed, Under Secretary of Defence for the Royal Navy, said a flying visit to Norway today by the Board of Inquiry report into the radioactive coil cylinder missing at the Polaris submarine base. He would study the report before making his Commons statement today, he said.

**Suffolk oil slick**

Clearance began yesterday of 20 miles of Suffolk coastline between Keslingland and Thorpeness, affected at the weekend by an oil slick which has caused the death of many birds.

**Flat fare of 10p**

A flat fare bus ticket of 10p for any distance in the West Midlands is being tried every Monday, Tuesday and Wednesday. The experiment started yesterday.

**Radiation check**

Radiation teams were called in yesterday when a lorry carrying nuclear waste overturned on the Whitelaven to Barrow road outside the Windscale nuclear works in Cumbria, but found the load intact.

**Aerial greetings case**

Mr Brian Bateson, a flying instructor of Wrea Green, near Preston, is being prosecuted by the Department of Trade for allegedly giving an 80ft birthday greeting to his wife behind his aircraft.

**Boy dies in fall**

Joseph Cooper, aged 15, who disappeared from his home in Witley, Lancashire, over the weekend, was found dead yesterday by workers at an engineering factory, having apparently fallen through the roof.

**Boxer fined £5**

Chris Finnegan, aged 36, the former British and European heavyweight boxing champion and his cousin Mr Dominic Finnegan, aged 33, a painter, were each fined £5 yesterday for being drunk in the West End of London.

### Helicopter jailbreaker shoots two police near Belgian border

Estampuis, March 2—

A man who wounded two gendarmes near the Franco-Belgian border today has been identified as one of the prisoners who escaped by helicopter from the French prison of Fleury-Merogis last Friday, police sources said.

A third gendarme, taken hostage by two men in a car with French licence plates, was released shortly afterwards.

The sources said the gendarmes positively identified one of the occupants as Gerard Dupré, who was shot dead from the prison in the first ever helicopter escape in French history.

The two gendarmes had stopped the car for a routine identity check when the occupants threatened them with guns trying to take them hostages, the sources said.

In the ensuing struggle shots were fired and one of the gendarmes was injured in the face. A third gendarme, who tried to come to their help, was hit by a bullet in the chest. The car then drove off with one of the gendarmes. He was released a few miles further.

Throughout the weekend Belgian police have been patrolling the border area because French police had tipped them off that Dupré's brother, Georges, who lives in Belgium, had been visiting him in the Fleury-Merogis prison a few weeks before the escape.

M Dupré, who was serving a long sentence for armed robbery, escaped with Daniel Beumont, also serving a long sentence for a similar crime.

Two of the accomplices hired a helicopter at Issy-les-Moulineaux, South of Paris, and then hijacked it, forcing the pilot to fly to the prison. Swooping over the walls of the star-shaped prison, the helicopter landed in a courtyard where inmates were playing football. There were no warders in sight.

The two prisoners quickly jumped into the helicopter and it took off within 30 seconds of landing before warders could sound the alarm.

Police said the pair could have been inspired by an American film, the *Breakout*, about a similar helicopter escape which was shown recently on French television.

The helicopter pilot, well known for his work with French film crews to film from his craft, was questioned yesterday and today by French police. They showed him more than 400 photographs but he could not identify the two men who rented his helicopter.

After the prison break, the first in France from the air, police reinforced security of the frontier, watched airports and railway stations.

Lille police said that after the report from Belgium of the shooting and seizure of the Belgian gendarmes, French police dispatched more reinforcements to the Franco-Belgian frontier.—UPI.

**King helped save democracy**

Old guard in Spain failed to win support

From Richard Wigg  
Madrid, March 2—

Spain's military coup failed last week because of King Juan Carlos's leadership and because all the remaining influential social groups were opposed to an "old guard" representing the Franco regime, Professor Manuel Tunon de Lara, the country's best known left-wing contemporary historian, writes in today's *Diario 16*, the Madrid daily newspaper.

"In July, 1936, the ruling classes were in conflict with the Popular Front and those who staged the uprising could count on very important support," Professor Tunon says. "But last week the big tanks, the big employers and the Catholic Church headed a majority of the country against those staging the coup."

Last Monday, however, many ordinary Spaniards could not see any difference. "After a terrible night pinned to the news on the radio we decided to go to Anderca," the woman who, comes to take my flat recounted. She had gone to the bank early on Tuesday morning to draw out her savings. As a young girl she remembered fleeing from Spain with her family towards the end of the civil war.

A girl student from Barcelona said: "Suddenly an official entered the library where I was reading and shouted 'the library is closing now—there's been a coup'. We were all bundled out, shocked, frightened and wondering what we would find tanks firing in the streets."

Both of these women attended Friday's mass demonstrations in defence of democracy in Madrid, when more than a million people gathered according to the police, and in Barcelona.

The question most exercised public opinion now is how a further coup attempt could be prevented. Señor Leopoldo Cal Sotelo, the new Prime Minister, has promised that the intelligence agency will be investigated.

The King has already advised the politicians and the mar that they should not indulge in mutual criticism of army and so make things worse.

**Andalusia agrees to plan for regional autonomy**

Madrid, March 2.—Parliamentarians from Andalusia have agreed on plans to give home rule to the impoverished southern region under Spain's devolution scheme.

They voted yesterday for a statute of autonomy that would give the region, plagued by acute unemployment, powers similar to those already granted to the Basque country, Catalonia and north-western Galicia.

The statute will be submitted to the Madrid Parliament which is expected to pass it.

Under home-rule plans, the Basque country and Catalan last year elected regional parliaments and formed autonomous governments. Galicia approved home-rule plans in a referendum last year but still has to elect its parliament.—Reuter.

**Italian politicians learn to take pensioners seriously**

From Peter Nichols  
Rome, March 2—

The Chamber of Deputies approved late last night a Finance Bill which covers the whole of state spending but was of interest mainly because of the rivalry among the parties to help old age pensioners.

For the first time the pensioners became an important issue. Towards the end of last week, there were fears that differences might bring down Signor Arnaldo Forlani's argumentative coalition.

But the Prime Minister knew where to retreat and the Communist Opposition had no intention of seeing the Government fall. At the end of the special session last night, 326 voted in favour of the Bill and 257 against.

The Finance Bill has still to go to the Senate, but as far as public opinion is concerned it has accomplished two advances: basic pensions have been raised and they will be revised every four months in the light of changes in the cost of living index instead of every six months.

This decision places the pensioners ahead of the working

population whose index-related system of increases comes into effect once every six months.

The essential point is not so much that the pensioners have suddenly been placed in a vanguard position but that politicians have recognised their political importance. Some 18 million pensioners are paid in Italy, an average of at least one for every family.

A century ago young people up to the age of 29 were three times as numerous as those aged over 60; today the younger people have an advantage of just about two and a half million and in 10 years' time the forces will be equally balanced with a preponderance of the elderly in 2001.

Given that the Western economy is expected to stagnate, increasingly to high technology, many of the traditional industries, the older people will be able to continue longer in the work force because of experience and skill will be of greater value than physical strength.

The estimated deficit this year of the main state pension fund will be some 17,712 lire (£8,750m) which is expected to be more than double in two years' time.

### Spaces in places where planners once roamed

Some who claim to care about the environment are apt to describe Edinburgh as the holey city. The Scottish capital has more than its proper share of gaps, holes in the ground and razed zones where years ago bulldozers were busy knocking things down but where nothing has happened.

Some development sites that never developed are now famous in a negative way, as sources worth watching. The Opera House, the international conference centre, hotels, office blocks and markets were all at one stage expected to rise from flattened sites that remain stubbornly and forever empty.

Of course, the planners cannot win. So many of the buildings that have been knocked down, the leading example being the St James Centre complex, aspects of which make Alcatraz look quite bux.

Mr Ronald Guld, indefatigable spokesman on the environment for the Scottish Liberal Party, has an immense portfolio of information about idle land that could be earning a living, or at least looking less of an eyesore than it is. He also has lists of buildings threatened by the creeping demolition that decades of neglect incur, and which needs only one nudge from a bulldozer to complete.

He said: "There are many sites around Edinburgh which have suffered in this way from every kind of blight, for which plans have been drawn up only to fall down."

The latest example is the decision to abandon development of the site in the Royal Mile which the Cockburn Association, one of the city's principal watchdogs, describes as probably the most important undeveloped site in any historic city in Europe.

The hole first appeared 15 years ago after a group of eighteenth century tenements had been demolished. Recently it seemed that a combined office block and shopping centre was to rise there, but for various reasons the de-

veloped, the Post Office Staff Superannuation Fund, withdrew. The decision not to set up a Scottish assembly has apparently left Edinburgh with a glut of office space.

Probably the brightest sign that parts of the old town are emerging from a dark age of planning blight can be seen on the South-side, behind the extensive scaffolding in Nicolson Street. The district council's local plan admitted woefully that after 30 years of considerable planning activity there had been little result. Large swathes of the old town lay under weeds because of a proposal to run a new road through the area to take pressure off the city centre. The road, like so much else had been abandoned.

Meanwhile, the Crown Estate

Commissioners have made their first major acquisition of an urban site in Scotland by investing in the Nicolson Street plot scheme, helping out the district council which had not only lost the fight to drive a road through the area but had run short of funds.

A small part of the £2.5m cost of the redevelopment will come from dues received by the commissioners from oil pipelines which cross the foreshore from the North Sea.

Purists among the conservation lobby criticize some of the fine detail, but there is no doubt that this row of revitalized buildings has set an example for the area behind.

"It was a pilot scheme in the sense that it would lead others to follow and this is happening," a commissioners' spokesman said. A private development has begun behind Nicolson Street, people are moving back into the area, and the old town has not seen so much fresh paint, construction and hope for many years.

**Regional report**

**Ronald Faux**  
Edinburgh

Four men were jailed for a total of 52 years at the Central Criminal Court yesterday and one pleaded guilty to charges said to involve the theft of nearly £2m in property and cash.

He is Mr Ronald Johnson, aged 33, of Holloway, north London, who admitted six robberies, and asked for 119 other robberies and burglaries to be considered. He was jailed for 15 years.

Mr John Kennedy, aged 31, of Hemel Hempstead, Hertfordshire, pleaded guilty to seven robberies, including snatching £500,000 in gems from International Diamond Sales at the Savoy Hotel's shopping arcade in June, 1978. He asked for 33 other offences to be considered, and was jailed for 15 years.

Mr George Jones, aged 42, of Mill Hill, north London, was jailed for seven years after pleading guilty to two robberies. He asked for four other offences to be considered.

Mr Johnson, described by Det Supt Anthony Lundy as the brains behind many of the spent his proceeds on gambling. He spent his time on gambling, said Mr Timothy Cassell, for the prosecution, said Mr Kennedy and Mr Hammond were arrested after a security guard was shot in a bank raid in Finchley, north London, last year.

Mr Hammond, aged 36, of Bath Street, City of London, admitted eight robberies and one charge of wounding, and asked for 12 other offences to be considered, and was jailed for 15 years.

Mr George Jones, aged 42, of Mill Hill, north London, was jailed for seven years after pleading guilty to two robberies. He asked for four other offences to be considered.

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## ST EUROPE

Kidnap fears  
Spain  
over missing  
footballer

From Harry Debelius  
Madrid, March 2

Police set up a nationwide search today for a popular football player, Joaquín Castro, known to fans as "Quini", who disappeared on Sunday night in Barcelona. It is believed he may have been kidnapped.

Officials of the Barcelona club, for which he plays, said they had no knowledge of threatening letters which, some sources claimed, several players had received.

Señor Castro was due to have picked up his wife at Barcelona airport last night after his team's regular league match, but he failed to arrive.

When his wife returned to their home, she found the radio and television turned on, but her husband and his car—a whisky-coloured Ford Granada—were missing. Police found the car in another part of Barcelona today.



'Quini' Castro: Disappeared in Barcelona on Sunday.

For reasons which have not been explained, the footballer's absence was not formally reported to police until about noon, although a fellow player, advised by Señor Castro's wife that he was missing, told the police early this morning that the player's car had disappeared.

In Gijón, northern Spain, the missing player's brother, Jesús Castro, who is also a professional footballer, said he had no knowledge of any ransom demand, but he feared that his brother had been kidnapped.

Last January Señor Luis Sureda, a prominent Spanish industrialist, was seized from his office near Valencia, on Spain's east coast, about 220 miles south of Barcelona.

Anonymous telephone callers claimed he had been kidnapped by the ETA organization but police were sceptical and suspected that common criminals were involved, rather than political activists. Señor Sureda is still missing and his family claim that no ransom demand has been received.

In two other recent Spanish kidnap cases, the ETA abducted a nuclear engineer and murdered him when he demanded for the destruction of a nuclear plant under construction near Bilbao was ignored by the authorities.

In another case, the consuls of Austria, El Salvador and Uruguay in the Basque country were released last Saturday when the ETA political-military wing announced its intention of seeking a ceasefire.

More nuclear  
protests at  
Brokdorf likely

From Patricia Clough  
Bonn, March 2

More anti-nuclear demonstrations like the one by 50,000 protesters at Brokdorf near Hamburg last weekend were promised today by the leader of West Germany's nuclear protest movement.

Herr Josef Leinen, head of the association of civic action groups said their campaign against the building of the Brokdorf nuclear power station would continue with vigour and probably further mass demonstrations.

Some 10,500 police were deployed around Brokdorf during a three-hour battle with water cannon and tear gas against a hard core of protesters.

## Paris opens its own Manhattan

From Charles Hargrove  
Paris, March 2

The Quatre-Temps, claimed to be the largest commercial centre in Europe, was opened this morning at La Défense, the controversial futuristic complex of 21 tower blocks and high rise buildings, in the axis of the Arc de Triomphe, nicknamed Manhattan sur Seine, which has revolutionized—some would say, spoiled—the traditional Paris skyline.

M. Giscard d'Estaing, when he was Finance Minister, was so shocked by the damage to the unique view of the Arc de Triomphe from the Louvre, where he had his office, that he got the Government to order the height of one of the towers not to exceed that of the Eiffel Tower which was equally controversial in its day.

La Défense is a vast complex of offices in a grid of people work each day, and of 7,000 flats which attracted Parisians because of their relatively cheap rents.

Earthquake speeds up  
plans for large-scale  
repairs to Parthenon

From Mario Modiano  
Athens, March 2

The Greek Archaeological Service has decided to speed up its plan for a corrective operation on the Parthenon, because of the disturbance caused by last week's powerful earthquake in Athens.

The shock caused the entablature on the north-eastern corner of the temple to shift slightly from its place. At the same time the gaps caused at the joints by rusting iron clamps, became more pronounced.

The plan is to bring down this superstructure, replace the clamps with brackets made of a rust-free titanium alloy, then reassemble it and shift it back into position. The operation will be carried out later this year. Temporarily, the endangered cornice has been fastened in splints.

This was announced today in the course of a press conference given by Mr Andreas Adrianopoulos, the Minister of Culture and Sciences, in the presence of Dr Nikolaos Yalouris, inspector-general of the Archaeological Service, and Dr George Doukas, curator of the Acropolis.

The minister said that, considering the intensity of the earthquake, the damage to antiquities had not been extensive. "The ancient buildings," he said, "withstood the shock better than the new ones."

The replacement of the iron dowels inserted in the marbles of the Acropolis monuments during past restorations, with a rust-free material, is now in progress. "Had we not completed this work on the western wall of the Parthenon," Mr Doukas said, "it would certainly have collapsed during the earthquake."

The lower drums of some five or six columns of the western and eastern colonnades of the Parthenon had also shifted slightly, one centimetre at most, but there was no danger, he said.

Perhaps the most serious loss during the earthquake, was the destruction of the small museum at Pershona, north of Corinth, which was near the epicentre of the shock, and the breaking of some 200 fine classical and archaic amphoras and lekythoi in the National Archaeological Museum.

"But, not to worry," Dr Valouris said. "We have some of the best vase-menders in the world."

One of the Corinthian capitals of the columns of Olympian Zeus, a familiar landmark at the entrance of Athens, broke off during the tremor, while two more capitals had shifted position on the tall columns. They would be repaired.

Vertical cracks had also been noticed on the limestone pediment of the temple of Aphaia on the island of Aegina, which curiously had occurred after the earthquake.

Mr Adrianopoulos said it was extraordinary that the antiquities of ancient Corinth, so close to the epicentre of the earthquake, had suffered no damage at all, nor had the local museum.

He said the Archaeological Service was already taking the appropriate measures to avert further damage in case of new earthquakes. "We lived under the impression that Athens was quite secure from earthquakes," he said. "No ancient author has ever recorded an earthquake in Athens. Besides, the fact that the Acropolis still stands is proof of this. Evidently we will have to revise our ideas."

Corinth tremor: An earthquake measuring 4.5 on the Richter scale was recorded by the seismological observatory in Athens today (Agence France Presse reports).

The observatory said the epicentre was in the same area—the Gulf of Corinth—asthose of recent earthquakes. Today's tremor apparently caused no casualties or damage.

Mr Mintoff is accused of  
emulating Charles I

From Our Correspondent  
Valletta, March 2

Dr Eddie Fenech Adami, the leader of the opposition Nationalist Party, lashed out at Mr Don Mintoff and his Labour Government at an extremely well attended mass meeting here yesterday.

In his address Dr Fenech Adami said Mr Mintoff's court reforms Bill saying that the Government had taken the country hundreds of years back by assuming the stand taken by Charles I of Britain, who said that he was the king and therefore could do no wrong.

He recalled that the Labour Party's electoral programme had promised the introduction of an ombudsman and the right of individual petition to the European Commission of Human Rights and that everyone, including the Government, would be subject to the law. Nothing had come true, he remarked.

Instead the Maltese had been deprived of the historic existing possibility of appeal to the Privy Council, and now that all constituted bodies had for the first time joined together to condemn the proposed reforms, the guillotine motion had been passed in Parliament to restrict the debating time on the Bill, which enters committee stage today.

Dr Fenech Adami said the Government had stated it was not right that just one citizen should take the Government to court. There could be no ground for the protest in which Mr Mintoff's Government held the citizen, the Opposition leader said.

He added that until some time ago, Mr Mintoff had threatened the West by asking for economic and other aid in default of which he would go to "the other side"—Colonel Gaddafi of Libya.

Now that Colonel Gaddafi had let him down Malta found itself "in a state of isolation".

President's hand forced  
by the opinion polls

Continued from page 1

or combination . . . I do not seek partisanship. I want to bring together the greatest possible number of Frenchmen . . . I shall not be a president-candidate, but a citizen-candidate," he concluded.

The President's announcement comes within 56 days of the first ballot on April 26. He had declared in his last television appearance at the end of last month that between 15 and 20 days before the polls was a "normal period to inform Frenchmen" of his aims and objectives. He has declared himself sooner than he appears to have planned originally for two reasons: The first is the large fall in his personal score in opinion polls; the second is the unexpected impact made by M. Jacques Chirac, the Gaullist candidate, since he entered the lists a month ago.

For some weeks now, the liege men of the Giscardian UDF, the coalition of parties that support the President, had become increasingly alarmed that the electoral stage should be monopolized by the Gaullists, socialists, and communists, and had been pressing him to declare himself.

President Giscard d'Estaing wanted to delay doing so as long as possible for the very obvious reason that once he became a candidate he would lose the position of authority and prestige which is properly that of the head of state, and would have to plunge into the electoral free for all. The only precedent under the Fifth Republic of a president seeking re-election is that of General de Gaulle in 1965.

He had declared that he would stand only one month before the polls, only after some hesitation. He had refused to campaign and, much to his surprise, was forced into a second ballot by M. Jean Lecanuet, then in opposition, and M. François Mitterrand.

By doing so, he added, they would be able to look to the future with confidence. "They will also have the honour and pride of having helped to keep their country in the leading platoon of the big nations", he insisted, "in spite of difficulties of all kinds, in spite of the criticism inspired, all too often, alas, by a systematic negativism. France has been able to find in her own depths the necessary resources to face up to her trials and to pave the way for the future."

"Our country has been able to adopt itself to the energy upheaval. It has undertaken with courage and determination the material and commercial transformation necessary to overcome successfully the competition of its partners, and of new industrial countries."

## OVERSEAS

Jerusalem  
denies  
Palestinian  
compromise

From Christopher Walker  
Jerusalem, March 2

Israeli officials today denied a semi-official Egyptian press report alleging that Mr Ariel Sharon, the Agricultural Minister, had proposed far-reaching concessions in an effort to break the deadlock over Palestinian autonomy and reach agreement before the June 30 general election here.

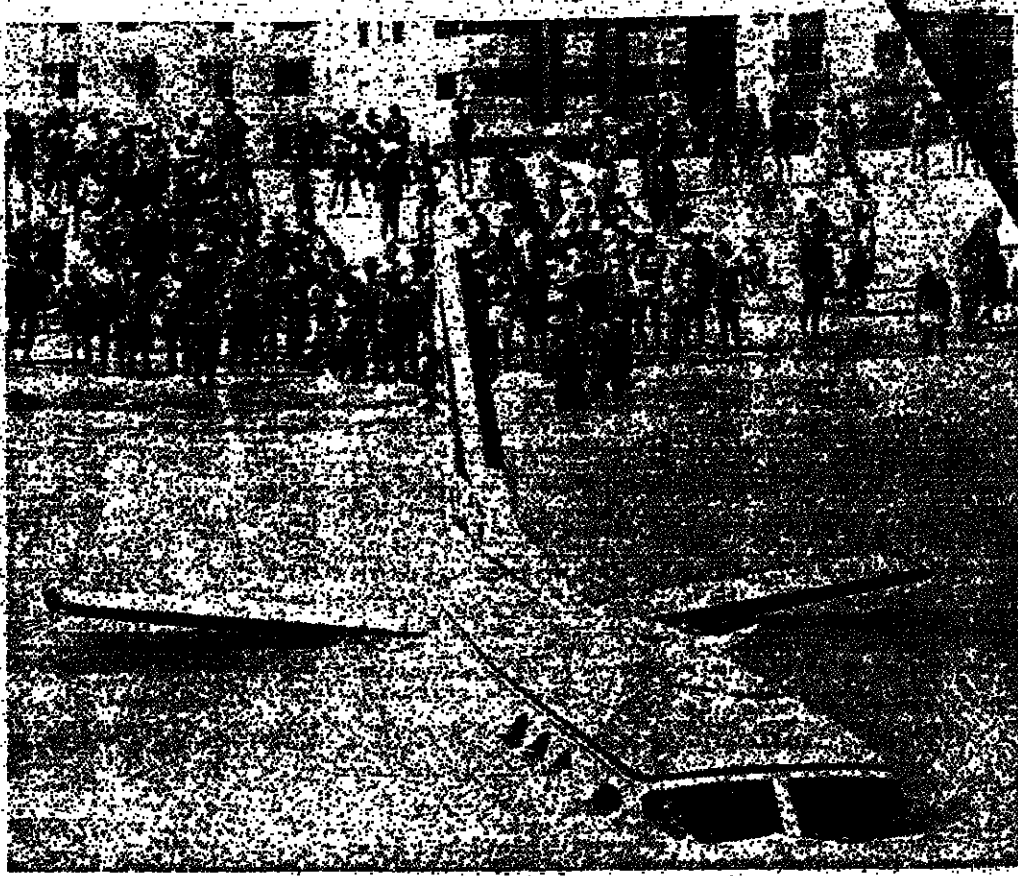
The report appeared in the Cairo magazine *Maya*, a new weekly published by President Sadat's ruling National Democratic Party. According to the magazine, Mr Sharon's proposals were put forward during a recent meeting with Mr Saad Murad, the Egyptian Ambassador to Israel.

Senior officials in the Israeli Agriculture Ministry, however, acknowledged that a meeting between the two men had recently taken place, but they denied that any proposition had been put forward by Mr Sharon. Although observers accept the denial that no formal concessions were proposed, it is widely known that Mr Sharon and some other ministers regard a breakthrough in the autonomy talks as possibly the only political card available to save the Begin coalition from defeat in June.

In addition, Mr Sharon has recently tried to impress on his colleagues that concessions leading to an autonomy agreement now would be preferable to much more sweeping Israeli concessions.

It is understood that among suggestions which Mr Sharon and his supporters have considered in private are possible extensions to the proposed powers of the Palestinian authority in Beirut claimed that there had been no casualties in the attack.

The bombardment was part of Major Saad Haddad's campaign against the Lebanese Government which, he claims, owe the



That sinking feeling overtook three men who had to ditch their aircraft at Miami Beach after engine failure. They escaped unhurt.

## Lebanon shelled for second day

From Robert Fisk  
Beirut, March 2

The southern Lebanese port of Sidon came under long-range shellfire this morning for the second consecutive day while a few miles south of the city Israeli jets bombed targets in the village of Abu al-Aswad.

In the attack on Sidon seven people were injured and the city's water supply was cut by the shelling.

former soldiers in his militia back pay amounting to 20m Lebanese pounds (about £2.5m).

The air raid was of a more conventional kind. The Israeli authorities, announced afterwards, that their Air Force had scored "accurate hits" against Palestinian guerrilla bases in Abu al-Aswad although a statement issued later by the Palestine Liberation Organization in Beirut claimed that there had been no casualties in the attack.

Later reports said that

several people had been hurt. It was the sixth Israeli attack of its size on southern Lebanon this year, a series of air and sea-borne raids that have so far cost the lives of 29 people, more than half of them guerrillas.

Palestinian raid: Palestinian militias hit an Israeli frontier town today and wounded three people soon after the Israeli air raid into Lebanon, the military command said (AP reports from Tel Aviv). The first barrage hit Kiryat Shmoneh in northern Galilee.

## Troubleshooter tries to settle war at Amnesty

By Caroline Moorehead

A dispute affecting the internal running of the British section of Amnesty International is to come before a special commission of inquiry, headed by Mr Peter Archer, QC, former Solicitor-General.

The commission is meeting to pronounce on an inter-branch battle which has led to an occupation, a partial strike, several resignations and a demand for a new structure but against middle management charged with implementing it.

In January, the matter was before Amnesty's council, which supported Mr Desmond. Last month, the dispute having grown more acrimonious, it was once again brought before the council. This time it decided against the new structure.

Mr Desmond has felt bound to see this as tantamount to dismissal and gone on holiday, leaving an acting director to take his place until the problem is resolved.

The battle has inevitably been seen in terms of personalities. That in itself, though divisive, is less harmful than the suggestion made over the past weeks

that the British section is in a state of fragmentation and inefficiency, something that Mr Roger Bromes, elected chairman of the council two weeks ago after the resignation of the former chairman, is determined to refute.

The organization, he argues, is currently extremely productive, having learnt its weight to some publicized campaigns over Zaire, Chile, South Korea, and the export of repressive technology.

Why, then, has a seemingly trivial difference of opinion reached these threatening proportions? Precisely because, Mr Bromes believes, the British section has been so successful in recent years, growing from 3,000 members in August, 1978, to 17,000 today.

Such a rate of expansion cannot be achieved without growing pains, particularly in an age when not just Amnesty, but all human rights organiza-

tions are juggling between traditional methods of persuasion and the new public action campaigns, between the quieter form of lobbying and the louder sounds of public exposure. There is, he says, no contradiction between the two: the debate, in itself healthy, must simply be sorted out.

The war at Amnesty will not be allowed to go on. At the end of the month, the organization holds its annual general meeting and will then consider the commission's verdict. Whatever the outcome, Mr Bromes believes that the British section will then be able to resume its work, "put behind it a pointless wrangle of the kind to which such organizations are sadly prone and, with luck, come to see that the future lies not in a debate over methods, but in a process of selecting that form of campaign best suited to the times and nature of each inquiry."

Officials believe that the present price is far too low, and that although it would be extremely unpopular to increase the cost of the staple diet of the vast majority, and poorest section, of the population, a rise is inevitable. Estimates of such an increase vary from 30 to 50 per cent. To balance the books an increase of more than 100 per cent would be necessary.

Famine threat: In stark contrast, President Nyerere has warned his countrymen that Tanzania is threatened by its worst famine in 20 years of independence, because of a shortage of foreign exchange.

Mr Nyerere, quoted by the Tanzanian Government newspaper *Daily News*, said that this year's drought had hit Tanzania as a "time when its reserves of foreign currency were low." — Agence France Presse.

UN vote to  
silence  
South Africa

New York, March 2—The United Nations credentials committee today recommended that the General Assembly bar South African delegates from Namibia (South-West Africa), although an independence plan for the territory demands Pretoria's cooperation.

Only the United States voted against the proposal. Six of the nine committee members were in favour, and Spain and Costa Rica abstained.

Herr Rüdiger von Wechmar, president of the assembly, asked for the committee's recommendation after South African delegates turned up for the debate, and were immediately challenged.

South Africa's delegation was ejected from the assembly in November 1974. It did not reclaim its seats until May, 1978, when it was barred at the start of a special session on Namibia.

South African sources discouraged speculation that today's ban might be followed by rejection of the United Nations settlement plan for Namibia.

The plan was drafted by the United States, Britain, France, West Germany and Canada. It has not been implemented because South Africa is not convinced that the United Nations would fairly carry out the terms, which include supervising the holding of elections in the territory.

The assembly recognizes the South West Africa People's Organization as the only authentic representative of the Namibian people.—Reuter.

Hijacked plane  
diverted  
to Afghanistan

From Hassan Akhtar  
Islamabad, March 2

A Pakistan aircraft, with 148 passengers, was hijacked and diverted to Kabul today.

The hijacker, who spoke to a Pakistan International Airlines official from the Afghan capital, said he was a member of the Pakistan People's Party, which was founded by Mr Bhutto, the late Prime Minister.

The captain was stated to have been forced to fly to Kabul only a few minutes before the hijacking, which has taken off at Karachi, was due to land at Peshawar.

No immediate explanation for the hijacking was available.

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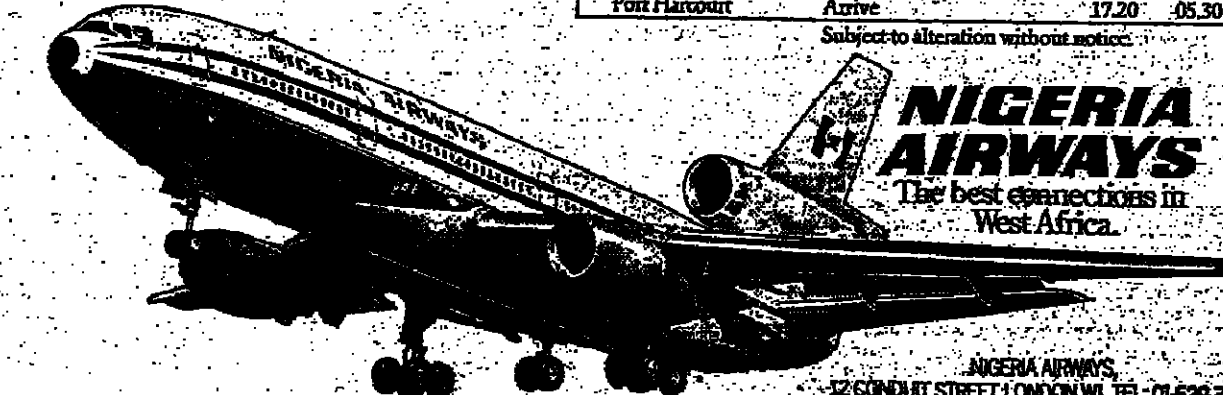
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	Daily	Thur	Fri	Sat
London (Heathrow)	Depart 22.00	10.00	10.00	18.00
Kano	Arrive 04.35			03.05
Lagos	Arrive 07.00	17.20		
Port Harcourt	Arrive		17.20	05.30

Subject to alteration without notice.



مكتبة الركن



# Moscow says Thatcher recipe for world peace based on 'piles of arms' cannot be lasting

From Michael Binyon  
Moscow, March 2  
Mr Leonid Zamyatin, the official Soviet spokesman, criticized Mrs Thatcher's recipe for world peace today, saying it was based on "piles of arms" which would not be lasting.

The Soviet Government, he said, was ready to enter a constructive dialogue without any preconditions. In all past summit conferences it had been the prerogative of those taking part to negotiate on any topic without conditions. He said a summit was a vital part of such a dialogue, and it was better to have a prepared one than an unprepared one. But neither side could lay down conditions. Addressing the press conference on the seventh day of the Congress of the Soviet Communist Party, Mr Zamyatin said the Russians had followed Mrs Thatcher's wish to the United States. He did not reply directly to her tough accusations against the Soviet Union, but noted that she had rejected aspects of President Brezhnev's foreign policy proposals out of hand and said the Russians were still hoping for an "objective response" from the Americans.

He said he was "a bit surprised" when the British Prime Minister spoke of the

need to establish a military equilibrium between East and West, since the latest report from the Institute for Strategic Studies— which as I recall is not too far from Downing Street—showed that this balance already existed.

The Soviet spokesman said Western leaders, and especially American senators, were putting forward all kinds of preconditions for a summit as a "sterilizing" put off such a dialogue. He cited the demand that the Russians must first end arms deliveries to El Salvador, and categorically denied that the Soviet Union was sending any weapons to the insurgents.

Jesse Helms, the chairman of the Senate subcommittee on the Western Hemisphere who made the call, should instead read the list of Soviet proposals for arms control to which the Russians had still not received any reply from the West.

Mr Zamyatin rejected the contention by the West German Government that there was nothing new in Mr Brezhnev's call for a moratorium on the deployment of nuclear missiles in Europe. He said the new fact was that the Soviet Union would not go ahead with the deployment of its SS20 missiles.

The Russians, he went on,

were prepared to freeze modernization and deployment of their missiles in the Western part of the country if the Americans did the same with their forward-based systems while talks went on about a permanent agreement.

Mr Zamyatin criticized the West German Government for presenting their country as the "further of rearmament" of medium-range nuclear missiles.

Meanwhile, the party congress today heard the remaining few speeches of delegates and visitors and approved the economic report of Mr Nikolai Tikhonov, the Prime Minister, with its details for the present five-year plan and guidelines of economic and social development until 1990.

This evening there was a closed session when the party's Central Committee considered for nominations for membership and then, after a secret ballot, voted on membership of the policy-making body. The committee was expected to increase its membership by about 30 to a total of about 330 to take into account increased membership of the Communist Party throughout the country.

The new committee then voted on the composition of the ruling Politburo, whose 14 members had to put themselves up for re-election. Few if any changes were expected. The results will be given tomorrow, the final day of the congress.

## News analysis

### Progress slow in extending capability of armed forces

By Henry Stanhope  
Defence Correspondent

In spite of Mrs Thatcher's brave promise of British help in protecting Western interests outside Nato, the Ministry of Defence has made slow progress towards the modest goals outlined last year. Senior officers are now waiting to see if priorities will be adjusted in the light of her New York speech.

The first indication that the Government is considering improvements to the services—so-called "worldwide capability" came in last April's Defence White Paper, and was confirmed by Mr Pym, then Defence Secretary, in the Commons in October.

Energies were first concentrated upon trying to reestablish a parachuting assault capability, and the number of fully trained parachute battalions has been raised from one to two—one of them in the 6th Field Force whose headquarters are at Aldershot and the other in the 8th Field Force based on Bulford.

The RAF is also continuing with its programme to "stretch" 30 of its 65 Hercules transport aircraft, increasing their capacity from 32 to 128 soldiers or 64 to 92 fully equipped paratroopers. Three of the stretched Hercules are already flying.

Whitehall's recent cash squeeze, however, has cut short plans to buy the Adverser Weather Air Delivery System radar to enable the Hercules to fly in close formation in poor visibility. Reductions in the fuel allocation have also ruled out any chance of pilots completing the 1,000 hours additional flight

training every year which is thought necessary if it would take Britain about an hour to drop one parachute battalion, instead of the 15 minutes which would be required in an emergency. Observers are unfavourably comparing the British and American drops during last September's Nato exercises in West Germany.

The Army could draw upon other units of the 6th Field Force—and 5th Field Force if necessary—and fly them to some distant trouble spot in the enlarged Hercules, assuming that there was a runway available. But the British has not been able to afford the special stockpile of food, fuel, ammunition and other equipment which the Army would like to establish on Salisbury Plain.

Even if Britain could afford to build its own RDF, the pressures on money and manpower dictate that it could not hope to train for all the various kinds of operations in parts of the world as different and distant as the Gulf, Zimbabwe and the Falkland Islands.

As a result the ministry is trying simply to ensure that the services would have the flexibility to send troops when they were needed.

### Malaysia hangs three under security laws

From Our Correspondent  
Kuala Lumpur, March 2

Three more men were hanged this morning for illegal possession of firearms, increasing the total of executions to six since last Wednesday. All six were Chinese convicted under the Internal Security Act which restricts the rights of the accused.

This brought the total hanged to 17 since Malaysia resumed executions a year ago after a lapse of nearly a decade. All but two of them were convicted under the security laws.

At least 60 men are in Malaysia's Pudu prison awaiting execution. Executions are usually carried out within days of appeals being rejected.

### Argentina offers Falkland Islands special status

Port Stanley, March 2—

Argentina's military Government has offered to make the Falkland Islands its "most pampered region" and to guarantee the islands' democratic traditions if British settlers give up rule from London and accept Argentine sovereignty, according to two members of the Islands' Legislative Council.

The offer, made at last week's talks between Britain and Argentina in New York on the ownership dispute, was Argentina's first direct appeal to the Falkland Islands' 1,800 settlers. The settlers want the islands, 300 miles off Argentina's coast, to remain a British colony, but they are concerned at London's reluctance to assist their prospering economy which is in a slump.

### General admits cover-up over island massacre

Manila, March 2—The

military authorities in the Philippines admitted today that they deliberately tried to withhold from the press publicity about the February 12 massacre of 119 government troops in Patia island in the south.

Brigadier-General Delfin C. Catang, chief of the southern military command, told the local press in Zamboanga city that the incident was best forgotten because it had a psychological effect on the government soldiers, sources said.

General Castro was quoted as saying that the real story was purposely withheld since its publication would only fan the flames of the bitter conflict in the south—Agence France Presse.

time sovereignty or to drop out of the negotiations.

Britain, which obtained the islands in 1833 and is under international pressure to give them back to Argentina, has promised to follow the settlers' wishes. At the council's request Mr Nicholas Ridley, the British Minister of State, asked Argentina last Monday to freeze the sovereignty issue while the two nations worked out joint fishing and oil exploration ventures.

Argentina refused, but the meetings continued for a second day as Commodore Carlos Caradell, Argentina's Deputy Foreign Minister, spoke directly with the two Falkland delegates.

"We were asked what did we want, presuming we agreed to cede sovereignty. Would we draw up a list of our requirements," Mr Monk said.

We said, well, we have a democratic form of government, a different legal system from yours, different customs, a different form of education. And they told us all those things could be guaranteed for some considerable time. The only thing they wanted was sovereignty.—AP.

### Attempts to settle Qantas strike fail

Sydney, March 2—Talks

aimed at settling a crippling 17-day ground staff strike against the Australian airline Qantas broke down today as the air force continued ferrying stranded passengers between Australia and New Zealand.

Mr Keith Hamilton, the Qantas chief executive, said talks had reached an impasse over a union demand that Qantas give up its right to break strikes with staff from other departments while still retaining the union's right to strike.

The Australian Government today promised full financial support if Qantas had to shut down—Reuters.

## Singapore project depicting triumph of Tiger of Malaya goes ahead

From David Watts  
Singapore, March 2

Singapore is quietly going ahead with a controversial plan to build a wax tableau depicting the British surrender to the Japanese 35 years ago.

The "surrender chamber" with waxwork figures showing Lord Louis Mountbatten taking the Japanese surrender at the end of the war. The new tableau is to be built, like the famous one on the island of Sentosa, off Singapore. The island already has a comprehensive collection of Second World War memorabilia.

Sentosa attracts Japanese tourists and businessmen, many of whom visit the war museum.

The surrender chamber has two rows of light oak tables at which life-size wax models of the participants are seated: the allies on one side, the Japanese on the other. Lord Mountbatten, who liked to visit the chamber, is flanked by Lieutenant-General R. A. Wheeler, of the United States, and General Sir William Slim, all looking suitably triumphant.

On the Japanese side, General Seishiro Itagaki, commander of the Seventh Area Army, is flanked by Lieutenant-General Hatake Kimura, commander of the Burma Area Army, and Lieutenant-General A. Nakamura, commander of the Eighteenth Area Army, looking rather unshaven and dejected.

"The tableau is inside an area surrounded by smoked glass through which tourists view the proceedings to the accompaniment of a commentary which does its utmost to glorify the humiliation of Lieutenant-General Arthur Percival, commander at the time Singapore fell. In the background, the strains of 'Land of Hope and Glory' ensure that the point is not lost. On the outside walls tables explain the set-piece in both English and Japanese.

Near by, photographs retell the story of the British development of the island, from a peddling cheap bicycles along the Malay Peninsula to words the faded sign of Singapore pointing in the wrong direction. There they are in another photograph under a newspaper headline: "Malaya

ready for front-line role in Pacific."

The Sentosa Development Corporation wants to build the new tableau in the interests of its tourists and to spare General Percival's blushes. It has been trying to find one showing the general's expression but it has received little help in its efforts to commission what Sir Winston Churchill called "the worst disaster and the largest capitulation in British history."

A corporation spokesman said the British High Commission is "not very happy about the project. They do not want to

give any help."

While the British spokesman, "right-lipped", when an emissary went to research the project.

"We were surprised at the sensitivity of the British," one of the corporation staff said.

"We do not want to stir up the British. We just want to make the museum complete. The Japanese seem to have accepted events during the war as fact whereas the British have not."

Opinion in Singapore seems to be divided between those who feel the projected tableau will record an objective historical fact and those who feel it will be a monument to aggression. Many older Chinese still remember with horror the years of Japanese occupation. Others, who have lived so long now with a large postwar Japanese community, have come to see the difference between today's salary-man and the kamurai (secret police) officer who ran Singapore during the war.

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## British surrender to Japan in waxwork show

From David Watts

Singapore, March 2

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"We do not want to stir up the British. We just want to make the museum complete. The Japanese seem to have accepted events during the war as fact whereas the British have not."

Opinion in Singapore seems to be divided between those who feel the projected tableau will record an objective historical fact and those who feel it will be a monument to aggression. Many older Chinese still remember with horror the years of Japanese occupation. Others, who have lived so long now with a large postwar Japanese community, have come to see the difference between today's salary-man and the kamurai (secret police) officer who ran Singapore during the war.

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## General Arthur Percival surrendering on February 15, 1942

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# Consultations before use of rapid deployment force—Mrs Thatcher

**House of Commons**  
Mrs Margaret Thatcher, the Prime Minister, reported to the House on her visit to the United States last week, said that she had received the Foreign and Commonwealth Secretary, Lord Carrington, in Washington, received in the White House, and had been assured of the support of the American people and the American Government in the event of a rapid deployment force being used.

My talks with President Reagan and his staff, and the members of his Cabinet (the President's Council on the Environment) covered all the most important aspects of the international scene. The discussions were particularly timely since the Administration are still formulating their policy on many of the issues raised.

At this early stage in the new Administration's period in office there was no question of new commitments being entered into by either side.

We exchanged views on East-West relations as a whole and in particular on the speech which President Brezhnev delivered a week ago. We agreed that it contained much that was unacceptable to the United States and certain points which needed to be explained and explored.

This applies, for instance, to the President's remarks about arms control, which both President Reagan and I see as necessary and complementary to defence and deterrence.

On the Middle East, I explained the objectives of the European initiative stemming from the Declaration of the 11th June. I pointed out that this initiative was intended not to compete with American efforts but to complement them.

On southern Africa, we agreed to keep closely in touch, especially in relation to Namibia—a problem to which the United Nations is increasingly turning its attention.

On El Salvador, the Americans expressed their concern about the developing conflict and the clear message that the United States would support which the guerrilla movement is receiving from external sources.

Lord Carrington and I indicated that the British Government would support the American initiative in the international affairs of El Salvador. We explained that we condemned the threat to the stability and security of the Central American region following the Soviet invasion of Afghanistan. I said that Britain shared the determination of the United States, and of

our other allies, to prevent Soviet encroachment in this region.

We discussed the possible creation of a rapid deployment force, which would be available for use, if necessary, in an emergency in this or other areas of the world.

This matter will be the subject of consultations with the United States and other allies. I made it clear that such a force would be created, the United Kingdom would be ready to contribute to it, in the same way as, in consequence, the United States and France, who have already stationed naval units in the Gulf in response to the situation arising from the Iran-Iraq war.

In my discussion with Defence Secretary Weinberger, I pointed out that this year and last the United Kingdom had increased its defence spending in accordance with the NATO target.

The Defence Secretary and I agreed that there should be better co-ordination of the defence purchases between the United States and the United Kingdom. This would lead to more effective use of the Alliance's resources.

On the subject of the defence of the United States, we discussed President Reagan and the members of his Cabinet whom I met. I expressed my intention of continuing to work closely and frequently with the United States and Britain but also with other NATO members. I indicated that this is already happening.

I naturally welcome the American intention, and I hope that my own visit will have contributed to a better understanding of the issues on which such consultation must take place.

Mr. Michael Foot, leader of the Opposition, (Labour), who was questioning the Prime Minister in her statement, said: Unfortunately, the Prime Minister could not speak in the House of Commons unless she had been invited to do so by the House of Commons.

On our own domestic affairs, on which the Prime Minister had been invited to speak, she had given them to the House of Commons. I said that I was not at any time raised with the Prime Minister the possibility of a concerted action by the United States and other governments to try to take measures to defeat the slump?

Does she not understand that on the subject of the defence of the United States, the Prime Minister had been invited to speak in the House of Commons? I said that I was not at any time raised with the Prime Minister the possibility of a concerted action by the United States and other governments to try to take measures to defeat the slump?

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When she says she is against intervention in El Salvador, is she not saying that she is against American intervention there?

On the Persian Gulf it would have been better, before making any statement, if she had discovered that there would have been the reaction to some of her statements in the place involved.

Does she not appreciate that some of the greatest dangers to the United States would be to intervene at the wrong time in the wrong place on the wrong side? That is truly the lesson of Vietnam which she does not seem to have learned.

On defence, we all appreciate that for it to be successful there have to be responses from the Soviet Union as well as from the United Kingdom. It must be fully reciprocated and I am sorry he does not wholly share my view.

On arms control, the NATO decision to discuss the subject was accompanied by a recommendation that arms control talks should be held immediately. One such meeting is being held in Geneva. So far there have been no more.

We both recognize, together with our European allies, the importance of the fact that the Soviet Union is way ahead of this country, Europe and the United States in the field of nuclear deterrence. It is time that we had a similar capability unless there is to be substantially reduced.

Mr. Foot: On the rapid deployment force, if we were so much ahead of the rest of the world on the subject, why could we not have had proper consultations with the countries involved? Why is it that the Prime Minister is so reluctant to do so?

On El Salvador, Mrs Thatcher says she stands by the statement which she made in the House of Commons. Is she opposed to United States intervention there, or is she only opposed to intervention in the last 18 months?

On defence and the statement of Mr. Brezhnev, when is it likely that we shall be seriously engaged in a conference in which these matters can be discussed? Mrs Thatcher: With regard to El Salvador, I have already said in the statement we made before we went. The first point is to try to stop the large supplies of arms which are being sent to El Salvador. I am not at all opposed to commenting on each and every activity of the United States. It would be impossible to do so.

On the capacity to operate outside the NATO area, this matter was dealt with in the Defence White Paper. We have said that the Government believed the Services should also be able to operate effectively outside the NATO area. It is not a question of a central commitment to the alliance.

On the subject of the world-wide capability of the Services, we are considering. Such improvements could be made.

Some of the most damaging material one could think of was an account of the suspect's past history, as had been stressed by the press, and the right of the citizen to a fair trial, civil or criminal. Mr. Michael Foot, leader of the Opposition, (Labour), who was questioning the Prime Minister in her statement, said: Unfortunately, the Prime Minister could not speak in the House of Commons unless she had been invited to do so by the House of Commons.

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admitted at relatively modest cost while making the Services available for use outside the NATO area.

It seems that if people are truly concerned in protecting the freedom of the West, they must be prepared to undertake tasks outside the NATO area.

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that with cuts in overseas aid, broadcasting and in increasing the fees of the students from poorer countries. Nor will the process be helped by the hint of a return to the role of uninvited world policeman.

Mrs Thatcher: Our first duty is to protect our own freedom and that of the western alliance.

There would be no western way of life unless we were prepared to defend it. If we do not and cannot, we should be prepared to defend it. So long as this Government is in power this will never happen again.

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unemployed who had jobs when she came to power and those who may fear they will not have them soon.

But she is oversteering her remit when she makes a statement about the Gulf area. The imperial power of this country are another diversion like that?

Mrs Thatcher: We have some ships in the Gulf area for the defence of the freedom of navigation which is vital to the western world. Those ships were welcomed by the Gulf states and are still welcomed to keep open the Strait of Hormuz.

Mr. Dennis Walters (Walsbury, C): As a result of her talks with President Reagan, is she now coming to the view that while settlement in the Middle East can come about without American involvement, the European initiative is necessary too?

While military strength is necessary in that area it is not a substitute for intelligent diplomacy and political initiatives on the lines proposed in the Venice declaration.

Mrs Thatcher: Sometimes military strength is required when political and diplomatic initiative have failed. We have to try to do that. It is not a question of whether we are well armed or not. It can also come about through subversion.

We continue with every single political and diplomatic effort to try to solve these problems in the Middle East. Our efforts are to be complementary to those of the United States. The Middle East problem could not be solved except with the United States.

Mr. Greville Janner (Leicester, West, Lab): It is not correct that the United States rejected the Venice declaration. It is correct that the United States rejected the Venice declaration largely because it suggested the involvement of the PLO without its prior recognition of the right of Israel to exist behind a secure and recognized frontier?

Mrs Thatcher: Mr. Janner is right. The Venice declaration made it quite clear that the Palestinian people would have to accept Israel's right to exist behind secure boundaries, and also that Israel would have to recognize the legitimate aspirations of the Palestinian people.

That was at the absolute basis of the Venice declaration. I take it very ill from Mr. Janner if he thinks that the Venice declaration was a failure. It was a success. It was a success because it made it clear that the people of El Salvador should again be able to be free to decide their own future. One of the main reasons why the United States has been so successful in the Middle East is the large amount of arms getting through to the guerrilla forces.

With regard to the reported initiative of the West German government, we have not been informed of any such initiative.

He said the amendment would relieve him from an intolerable burden which they had to put up with in the High Court.

Lord Denning, Master of the Rolls, said long cases did put a burden on the jury which was unfair, and it should be right that the judge should have discretion from the beginning to say whether the case should be tried by a judge alone. Lord Haleham of St Marylebone, the Lord Chancellor, said he would accept the amendment. Service on the jury was compulsory for those who were not exempt. There was a case at the moment going on in the High Court which, when the pleadings were closed, it was estimated would last three days. The estimated time for the case to come on to six or seven weeks. In fact it started on October 6 last year and it was still going on.

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It was no good enough in 1981 for two parties to be in a dispute about a matter of civil litigation to be able to compel the attendance of 12 of their fellow-countrymen to sit from October to one year to Whitson in the next to listen to their case.

The amendment was agreed to and the committee stage concluded.

House adjourned, 9.06 pm.

## Gulf states have nothing to fear

**House of Lords**  
After Lord Carrington, Secretary of State for Foreign and Commonwealth Affairs, reported to the House of Commons on his visit to the United States last week, he said there was nothing said or done in Washington about the balance of power in the Middle East or in Britain should have any doubts.

Lord Carrington was replying to a question from Lord Gormanston (Lab) who said the idea of a rapid deployment force in the Gulf seemed to be rather obviously unthought-out before the intervention in the Gulf was complex and sensitive. Britain was, it seemed, committed to joining with the Americans in putting a force to intervene in the Gulf.

Within hours of this being known, he said at least three of Britain's best friends in the Arab world reacted in the most positive fashion. This was not an abuse to help the legitimate and vital interests of Britain in the Middle East.

Lord Gladwyn (Lib): Liberals have reservations about the rapid deployment force. We doubt the desirability of sending out any such force, either on our part or the Americans or ourselves.

The Russians show no present intention of advancing towards the Gulf. In the absence of evidence to the contrary, the balance of power in the area might be as a result of revolutionary movements or by the arrival of any substantial NATO force. We are not at all sure that there would be agreement in NATO on its despatch.

Lord Carrington: The rapid deployment force has been a matter of consultation and discussion over a period of time. It was originally the idea of President Carter's Administration and the Americans have been considering it since then.

The point about rapid deployment force is not that it is stationed in any area outside the United States or Europe but that it is deployed rapidly. There would not be a physical presence.

The idea is that since the NATO Treaty is restrictive in its operation and undoubtedly there are incidents around the world which affect the West and the NATO countries, it is a good idea to see how it is wise to respond to a crisis to prevent a further Soviet aggression. It seems to me this is a sensible thing to do.

There are no commitments entered into. All of us ought to take care to see how best to deal with a situation like Afghanistan.

I do not believe that our neighbours and friends in the Gulf need have any fear that it is directed at them or that there will be any action taken in their defence for which they do not ask.

This is a matter for consultation, as the statement said. I do not think that there was anything said or done in Washington about which anyone in the Middle East or in this country should have any doubts.

## Law must uphold public confidence in courts

A balance had to be struck between the competing interests of the right of the public to be fully informed, as had been stressed by the press, and the right of the citizen to a fair trial, civil or criminal. Mr. Michael Foot, leader of the Opposition, (Labour), who was questioning the Prime Minister in her statement, said: Unfortunately, the Prime Minister could not speak in the House of Commons unless she had been invited to do so by the House of Commons.

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## Police accused of spying on immigrants

**House of Lords**  
The Government should look into the charges that the police were trying to use persons settled in the United Kingdom to spy on alleged illegal entrants, Lord Avebury (Lib) said during the committee stage of the Supreme Court Bill.

He was replying to Lord Mischon (Lab) who moved an amendment to Clause 10 of the Bill (to allow circuit judges who were solicitors to be appointed to the High Court bench) before she made her public statement in America?

Are any consultations now proposed to try to rectify the damage done to Britain's Gulf relations?

Mrs Thatcher: The possible creation of a rapid deployment

was the Metropolitan Police were having due regard to the Home Office letter of December 12, 1980, in which it stated that the police were to be given the most delicate of tasks which the police have to perform. The Home Secretary appreciates that chief officers are anxious to see that it is performed with tact.

Lord Belstead, Under Secretary of State for the Home Office, said that the case referred to it would not in any case be appropriate for the Government to investigate such a matter. It was a matter of internal discipline and it was open to any person to make a complaint to the chief officer of the police force concerned, who would arrange for it to be investigated in accordance with the statutory procedures.

The Home Secretary is confident that the Commissioner of Police of the Metropolis is conscious of this and in other areas, of the need to strike the right balance between the freedom of the press and the need to uphold the law and the administration of justice.

Lord Avebury: How can the Home Secretary say that the chief officers are anxious to see their tasks performed with tact, when he does not make any inquiries what extent a shadow has been submitted to him?

In the case of this particular individual, he was twice held in a police station for lengthy periods, although he was not suspected of any offence, and tape recordings of conversations were made with him. He was shown that they were inviting him to assist them in informing them of persons who had with them illegal entrants or overstayers.

Is this in accordance with this letter?

Lord Belstead: I do not understand the meaning of his question. The Home Secretary carried out a review in consultation with the Commissioner of Police of the Metropolis and the Association of Chief Officers of Police for instituting searches such as this, and as a result the circular letter was sent out.

**Eisteddfod to get finance**  
Part of the additional £500,000 of Government money to be used to promote the Welsh language in 1981-82 would go to the Royal National Eisteddfod of Wales, Mr. Wyn Roberts, Under Secretary of State for Wales, said during questions.

Mr. Roberts (Conway, C) said that the £500,000 would be used to provide grant support for the Royal National Eisteddfod of Wales, to assist Uddel Gobaith Cymru with new development of their camp at Llannawgon, and to increase the grants to Mudiad Ysgolion Meirion, the Welsh Schools Council and Bwrdd Ffilmiau Cymraeg.

The Secretary of State for Wales (Mr. Nicholas Edwards) had conditionally promised financial support for the Nant Gwernthyr Trust.

Drafts of the grant had been made next year would be published at the time of publication of the public expenditure White Paper.

House adjourned, 10.40 pm.

## Lengthy civil cases may be tried without juries

To allow solicitors to become judges of the High Court would relieve him from an intolerable burden which they had to put up with in the High Court.

Lord Denning, Master of the Rolls, said long cases did put a burden on the jury which was unfair, and it should be right that the judge should have discretion from the beginning to say whether the case should be tried by a judge alone. Lord Haleham of St Marylebone, the Lord Chancellor, said he would accept the amendment. Service on the jury was compulsory for those who were not exempt. There was a case at the moment going on in the High Court which, when the pleadings were closed, it was estimated would last three days. The estimated time for the case to come on to six or seven weeks. In fact it started on October 6 last year and it was still going on.

The judge had to tell the jury that, in the event of a verdict, they would be expected to abandon their business to do a full-time job and perform like a soldier. He was sun before they were released from their task.

It was no good enough in 1981 for two parties to be in a dispute about a matter of civil litigation to be able to compel the attendance of 12 of their fellow-countrymen to sit from October to one year to Whitson in the next to listen to their case.

The amendment was agreed to and the committee stage concluded.

House adjourned, 9.06 pm.



A black and white photograph of the Piazza del Campidoglio in Rome. The image shows the Palazzo Senatorio with its prominent dome and the Palazzo Nuovo on the right. In the foreground, there is a paved area with a grid pattern, likely the Piazza del Fontana del Gallo. The architecture is classical, with multiple stories and arched windows. The sky is clear, and the overall scene is well-lit.

astounding. The dark and inward-looking gallery in Oxford was made to seem positively labyrinthine with its rows of dark and serene, and darker, more introspective later works. Orozco, painted when he had returned to Mexico and founded the fruits of democracy disappeared, made their presence for more pain than the other two. The austere, simplistic political murals of the 1930s. In Berlin the space is simple, open and white, flooded with light. Orozco's large, unheroic figures in the darkened dome halfway through. Here the broader effects carry most weight, and the more severe works go for relatively little. Impossible to say. The arrangement is better, or more true to the artist; but one might certainly be seeing two quite different shows.

The big attraction in Western Berlin, however, is the show of the Art Treasures of the GDR. Which are the first opportunity outside that country to see some key discoveries in the years since the Jade Princess was unearthed. The major excitement is the centrepiece of the show, the monumental figures dug up in their thousands four years ago guarding the tomb of the "First Emperor of China", Qin Shihuang Di.

Court actor or 'a Costelloe actor' then that's how you stay.

"I've been luckier than some, in that I've had a long-running TV series (Granada's *Sun*) which makes me at least a regular on the small screen, but really like working in tight little groups and I'm therefore sorry to see the Costelloe company disband. We weren't necessarily all great socialists or great radicals, but we were all very broadly in the same attitudes to society and work. Above all we knew how to laugh; you walked around the corridors of the National now and you see all these directors sent doublets with the faintest of their social responsibilities and you think where's the fun? If you can't laugh in rehearsal, then it's not worth being an actor at all.

"Of course there are dangers in the company system; principally that when it breaks up the directors usually go off to glamorous jobs in Hollywood or wherever and/or the actors are left trying to make a patchy living as television stars. But being an actor is a thing for a really good 100 minutes at a time, nothing more. I go in like a tank and when they put me on a track and I say next week Pittsburgh in *Ecce*, then that's the actor's life should be done over by moments.

Beethoven and unmistakably authoritative, suggested Miss Raphael's main sympathies lie with such music. Even the most rarefied passages conveyed great intensity, and the richly detailed writing for both violin and piano was entirely subordinated to the shapely overall impression which this performance deservingly created.

With Debussy's Sonata both players were again responsive to an elusive mode of discourse. Perhaps the outer movements' aereated textures were sometimes made to appear

judged *Jabonah*, a ballet suite on Mongolian themes, by Miss Raphael's father, Gunther Raphael, arranged for violin and piano, was largely a matter of "choreographing" the music. He turned this way and that. In "The Robber Princess" the piano part suggested a dour forward-march around which the orchestra roared rather inconsequently. The "Arabian" program was lyrical in a wandering sort of way. And there were other movements, all ingeniously composed, entertaining and probably effective enough in their original theatrical setting.

My other concert was what might be called a technical

## Working at a life

**John Russell Taylor**

It sounds, too, like the introduction to something more than the six-minute work we hear on Sunday. *Coursing* has grown since its first premiere nearly two years ago, but apparently it still has some way to go. I am not sorry, therefore, that so much passed by so quickly; the texture split open and raced to its conclusion as fast as the runner through the fingers. For surely Smeuse will find ways to take up the ideas he plentifully lets loose here, including beautiful things for solo trumpet, flute and then a group of strings. He has, we already know, a rare gift for the anti-Stravinskian straight line.

We could have done with a foretaste of such enthusiasm before the interval, when Id. Haendel played Elgar's violin concerto with sparkling bravura and a sumptuous cantabile, but without voluminous tone so that, in restraining the orchestra, the conductor fell into a gingerly approach to the impassioned music itself.

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## John Russell Taylor

"But that doesn't mean it's intrinsically better to work in a small theatre for an already committed audience; why do a play for a hundred people when you can do it for a thousand? The Cortesloe company may be finished, but the National itself is still there and those of us who were there at the beginning, when every day fifteen boats would come over the river and it was like being at Verdun or in Fort Doom, have retained a certain affection for the place now that it's managing to run. A theatre is always better than the commercial company it is any one time. The theatre lasts longer than any company."

**Sheridan Morley**



Niara, the *Allegretto* of the *Well, the Moderato* probably, is well, and immaculate, the sound clear yet well nourished. The *Allegretto* also was impressive, the music, the melody, the almost, improvisatory freedom that well conveyed the music's sense of adventure. Only the Presto was insufficiently varied in its sense, and of course, of the previous movements' effect.

Schumann's *Humoresque* is a long, episodic piece, its sequence of moods and textures hold together. Miss Baranyi's performance had some aspiring moments, but the fast passages were sometimes lacking, the slow ones not settled and upward enough; Schumann's wayward thoughts seemed less fanciful than they really are.

with discretion. At such a level, rather ordinary-like textures were held in check, and there was a strong sense of the meaning of individual notes and harmonies. The second approach was essentially vocal, the tone fuller and rounder than bihi-eto.

In the Adagio of the Sonata op. 30 no. 2 Rainer Gepp made the Wigmore Hall's Steinway sing more expressively than Christine Raphael's 1754 Guadagnini violin. But perhaps that was due to Behavers Musical moment was perceptively maintained in the other movements, although the generous high spirit of mad scenes and of unduly strenuous kind. Schoenberg's Fantasy, op. 47, is nothing if not strenuous, but the interpre-

[illegible]

was the term used on the leaflet—in that although the music was not as well known as it had not before appeared as the *Thématisa Trio*. Christopher Taylor (flute), David Theodore (oboe) and Leslie Pearson began with graceful and simple pieces by Loelliet, C. P. E. Bach, Vivaldi, etc., performing them with long-practised skill and in particular a rhythmic clarity that was a welcome interpretation of such music. For all these Mr Pearson was at the harpsichord, but after the interval he moved to the piano. With a Maurice Strakosky *Divertimento* had pleasingly astringent, pointedly busy set of movements, with some good contrapuntal writing in the central Allegro commode and some unexpected patterns of accentuation in the Allegro ritmico to which it is joined. Carl Davis's *Serenade*, while not as light music in no special style.

Jean-Michel Damase's *Trio* of 1961 claimed more serious treatment of the music, an unusual scheme of two quick movements framed by two slow ones and is urbanely melodious yet well crafted. And three further movements, also quite hard and real, compensating advantage is taken of their disparate characters. The range of textures and of types of gesture was impressive.

**Queen Elizabeth Hall**

**Max Harrison**

Both as pianist and conductor Philippe Entremont has been hitherto chiefly concerned with the French repertoire, and so his programme on Sunday afternoon, while conventional in itself, was something of a departure. Even so, the refined colour and control with which French keyboard music was at once apparent in the initial variations of Mozart's Sonata K331, where there was much variety of colour within a carefully restricted dynamic range. There was no doubt, either, of the vocal origin of the ornamentation.

The accidents in the final variation were minor yet unfortunate, and the following Minuet was rather fast. Its dance-like character should have been more liberally insisted upon, and in fact the breadth Mr Entremont gave to the central Trio was more apt. However, the Rondo alla Turca was more liberally insisted upon, and its sectional nature was too evident.

Beethoven's Sonata Op 31 No 3 was far more successful, the feeling of capricious ideas seeming to be thrown together at random, the rest

Some of the reviews on this page are reprinted from

world. Mr. Entenmann caught well this impression of ineluctable processes behind apparently chance events.

Fine, then, was Scherzo, at once explosive and mischievous, another typical Beethovenian mixture. The Mitauer normally seems, to me at least, an anticlimax, yet this time the pianist's careful weighting of all those isolated chords gave it more poise than hitherto. The finale's furious excursions had finally of excitement.

Hearing of a prominent play Papillon? Or a reminded one perhaps not quite relevantly, of the influence which Schumann's early keyboard writing had on some French composers, it was perfectly in accord with Schumann in his own right, and this piece was full of ardent fantasy—perhaps too much for 50 minutes' essay. But there was some very impressive playing in the highly detailed quick movements.

Brabius's Handel Variations were also immaculate and by now seemingly dangerous tempos were no longer a risk.

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## Law Report March 2 1981

## Court of Appeal

## Untraced driver's unexplained braking

**Elizabeth v Motor Insurers' Bureau Ltd**  
Before Lord Denning, Master of the Rolls, Lord Justice Shaw and Lord Justice Oliver  
The unexplained sudden braking of a car is prima facie evidence of negligence. It is important that claims for compensation by victims of untraced drivers which are made to the Motor Insurers' Bureau Ltd and caused accidents should appear to be investigated fairly and justly.

The Court of Appeal so stated when allowing an appeal by Mr Joyce Francis Elizabeth, of Chatham, Kent, against Mr Justice Stocker's dismissal of his application for an order that the award of Mr B. A. Hytner, Q.C., in the reference to arbitration before him under the agreement between the bureau and the Secretary of State for the Environment dated November 22, 1972, be remitted to the arbitration for reconsideration. The court ordered that the matter should be remitted to another arbitrator.

Mr Elizabeth in person; Mr Henry de Lotbiniere for the bureau.

The MASTER OF THE ROLLS said that some years ago trouble had arisen over drivers who had stolen cars and caused accidents—and perhaps could not be traced. How could the injured party get compensation?

By an agreement of November 22, 1972, between the Motor Insurers' Bureau and the Secretary of State for the Environment provision was made for compensation of victims of untraced drivers. The agreement had many unusual features. The injured driver was unable to trace the person responsible was to receive compensation if on the balance of probabilities the untraced person would be liable to pay damages to the applicant in respect of the injury. It was virtually as if there was an action at law against the untraced person. If the injured person's claim was rejected by the bureau, an appeal could be made to an arbitrator.

Lord Justice Shaw and Lord Justice Oliver agreed.

who had to "decide the appeal on the documents submitted to him" without further evidence. It was very important that everything should be done fairly and openly with sympathy to the injured person.

On December 2, 1976, Mr Elizabeth had been driving his motor cycle behind a van when the van braked suddenly and Mr Elizabeth ran into its back. The van went on and the driver was never traced.

Some time afterwards a statement was taken from the driver of a following car, and on that statement the bureau took the view that Mr Elizabeth had not made out his case.

On appeal, the arbitrator had looked at the statements and said that he found it "impossible to say that the applicant had proved on the balance of probabilities that the driver did anything negligent which caused his accident." The arbitrator was clearly put in a difficult position of proof on Mr Elizabeth when in the circumstances the burden of proof was on the van driver. How was he to suddenly braked?

In *Ritchie's Car Hire Ltd v Baily* (1958) 108 L.J. 245, it was held that a driver who had to avoid a car which was in front of her car was held to have been negligent in braking when there was a car behind her.

see *Bingham's Motor Claim Case*, 7th ed (1973), pp 54, 55. It looked as if the arbitrator had not properly applied the burden of proof when the van driver had braked suddenly, apparently without cause and without any explanation. Those matters were well worthy of consideration.

It was important in such cases that fairness and justice should appear to have been done. The court had a general discretion under the Arbitration Act to remit the award. The appeal should be allowed and the matter remitted to another arbitrator.

Lord Justice Shaw and Lord Justice Oliver agreed.

Solicitors: L. Bingham & Co.

## Queen's Bench Division

## 'After entry' proof not on immigrant student

**Regina v Immigration Appeal Tribunal, Ex Shalikh**  
Before Mr Justice Bingham  
[Judgment delivered February 19]

An immigrant student who applies for an extension of his stay in the United Kingdom as a student does not, at that stage, have to satisfy the Secretary of State for Home Affairs that he intends to pursue the course of study of those studies as he is required to do by rule 17 of the Statement of Immigration Rules for Control after Entry, other than Common-wealth Nations, on the original application for entry into the country. Nor does the mere fact that he extends a desire to remain in the United Kingdom if permitted to do so of itself disqualify him from the grant of such an extension under rule 12 of the Statement of Immigration Rules for Control after Entry: *EEC and Other Non-Common-wealth Nations*.

The Divisional Court allowed an application for judicial review by the applicant, Shaikh Muneer Ahmad, a citizen of Pakistan studying in the United Kingdom, and quashed the decision of the Immigration Appeal Tribunal that he was not entitled under the Immigration Act, 1971, to the same intention at the later stage of an application to vary the conditions of his leave to remain, and that the tribunal's decision was therefore wrong in imposing a burden on the applicant to prove that intention.

Mr Brown contended that the rules had to be read together and that it would be irrational to have different rules operating at the two stages.

In his Lordship's judgment, the rules had to be read together as they formed part of a coherent scheme governing immigration in relation to the country and permission to remain in it, and it would be absurd to read the rules in isolation. But it was also necessary to give effect to the language used unless it led to absurdity or inconvenience so gross as to have been clearly outside anyone's contemplation. It was not irrational that a burden should be imposed on an applicant seeking to enter the country which was not in terms imposed on him if he sought to extend his stay. Thus it was not incumbent on the applicant to satisfy the Secretary of State that he intended to leave at the end of his studies, although it was necessary for him to satisfy the authorities that he was a bona fide student.

However, the real question was whether, if the applicant's intention was to leave at the end of his studies but to remain in the United Kingdom if permitted to do so, the provisional intention to remain disabled him as a candidate for an extension of leave.

In *R v Immigration Appeal Tribunal, Ex Parvizi Khan* (1972) 1 Imm AR 268, Lord Widgery said: "The fact that the immigrant has in mind the possibility of being allowed to stay in this country should not affect his or her right of entry, provided that the course of instruction is the primary purpose of the entry into this country is made." Although that case was concerned with different rules and a different Act, it gave some assistance in disposing the view that a would-be immigrant, on entering the country, had to show a positive intention to go home again, and that he was disqualified if he had in mind the possibility of being allowed to stay in the country.

Under some circumstances the Home Office could allow immigrants lawfully in the country as students to remain for an additional period as trainees; it would be harsh and unrealistic if a student who admitted a desire to take advantage of those possibilities was to be excluded, whereas one who kept his hopes dark profited from that concealment. Accordingly, the fact that the applicant would have wished to stay in the country after completion of his course if his extension was granted, and if he were permitted to do so, should not of itself disqualify him from the extension which he sought. In a case where an applicant was suspected of having some collateral purpose, and in particular an unlawful purpose, or had any intention of abusing, flouting, or breaching the conditions of leave to enter a different situation would arise.

In the circumstances the Immigration Appeal Tribunal had misdirected itself. The decision would be quashed and the matter remitted to the tribunal for reconsideration in accordance with the judgment of the court.

Solicitors: Mrs Sushma Lal; Treasury Solicitor.

## Fashion by Suzy Menkes

□ Right: Patent straw and feather hat £42 in red, navy, off white or black by Frederick Fox from his salon at 87-91 New Bond Street, London W1. Harrods, 1b Jorgensen, 18 Sloane Street, London SW1, Peter Gilmore of Cardiff, Saks of Altrincham, Scofield of Harrogate and Rudolph of Glasgow. Black and white finely striped spotted pure silk jacket £129. Matching fine stripe skirt £85 and striped jersey T-shirt £39 all by Roland Klein from his shop 26 Brook Street, London W1. Harvey Nichols, Richard Allen of Dublin and Dorothy Rowley of Walsall. Open-work gloves £3.25 in assorted colours by Dent-Fowles from Army & Navy, Owen Owen and Dingles branches. Pearl, lapis, crystal and gold tie necklace £1,200 from Sloane Pearls, Sloane Street, London SW1. Earrings from Ivor Gordon, 49b Sloane Street, London SW1.

□ Far right top: Fine straw and heavy net hat with hand painted flowers designed by David Shilling available in any colour combination from David Shilling, 36 Marylebone High Street, London W1. Pure silk crêpe de chine floral print jacket and matching skirt £174 on white or green ground, Hurel jersey vest in pink or turquoise all by Caroline Charles from her shop 9 Beauchamp Place, London SW3. Harrods designer room, Simpson's of Piccadilly, Helen Sykes of Leeds, Regalia of Troon, R. W. Forsythe of Edinburgh, Joan Posing of Birmingham, and Dorothy Rowley of Walsall. Earrings from Ivor Gordon 49b Sloane Street, London SW1.

□ Far right bottom: Fine jersey pill-box hat with crocus spray £61 in pink or white (other colours to order) by Dolores from Selfridges. Daisies of Glasgow and Jacqueline Morgan of Wombourne. Silk wrap dress £155 and bigger spot blazer £155 in pink, navy, red, royal blue or yellow, by Jasper Conran from Shaws, 48 Beauchamp Place, London SW3. Lucienne Phillips of Knightsbridge, Poppingay 2 of Chichester and Marian Gale of Dublin. Diamond and pearl drop earrings from Art Nouveau specialist Ivor Gordon 49b Sloane Street, London SW1. Pearl choker with enamel clasp from Sloane Pearls, 49 Sloane Street, London SW1.



Photographs by Serge Krougloff. Hair by Dar at Clifford Stafford. Make-up by Davis Garvin at The Model Agency.

## The hat makes a royal comeback

Inside every jeans-wearing, Metro-driving, hard-working, flat-sharing girl, there is a romantic heroine in a large hat longing to get out.

The excuse for writing about hats is, of course, the forthcoming Royal wedding. The proof that all women secretly long to see themselves in a hat lay on the floor of my office last week. As the flock of hats nestled in snowy tissue paper in their large boxes, every woman passer-by from 18 to 50 came to look and try on, until I was protecting the precious model hats from the predators as anxiously as a mother osprey.

I come from a generation that has no idea how to wear a hat. Because we put them on only for the rarest of events, we are shy about buying them, hopeless about fitting them and confused about what a hat is supposed to be doing for our chosen outfits. "Many women don't even know their head size," says royal milliner Frederick Fox despairingly. "If you can't get a hat on, it doesn't look right. And if you haven't worn hats, you need help. A hat is rather like a chiffon dress—it looks nothing on the hanger."

Frederick Fox's hats hang in his Bond Street salon on the branches of a hat tree, or are perched elegantly on embryonic wooden blocks. They are mostly small and shiny, little toadstools of lacquered straw or veiled pill-boxes blossoming with flowers. Scattered around the salon are photographs of Frederick Fox's most famous conjuring trick: the transformation of Princess Michael of Kent from a large, raw boned lady under a mushroom cloud of hat, into a crisply elegant Princess in a small slanted pill-box trimmed with seductive veiling.

I stood in front of the large mirror in my trouser suit, while Freddy popped his featherlight creations on to my windswept hair. The right hat, I realized, like the right house or the right man, can be recognized when you see it. I looked surprisingly good in most of them.



Net veil hat £18.50 in white or cream from the Barmona bridal collection exclusive to Harrods hat department or by mail order from Harrods £180 p & p. Viscose wrap dress and matching jacket £35.99 in navy or burgundy from most branches of Wallis. Freshwater pearl twist choker with lapis and diamond clasp £2,490 from Sloane Pearls, 49 Sloane Street, London SW1. Diamond and pearl drop earrings £1,000 plus VAT from Ivor Gordon 49b Sloane Street, London SW1.

□ Like a Venetian blind opening up to the sun, spring shoes are letting in a breath of fresh air.

Shapes have changed very little since the pump and the loafer established themselves as the comfort shoe fashion for years.

But the new footwear is given a light-weight look by the use of punching, mesh or lattice work, mostly fashioned out of the traditional leather.

If you want to tip toe through the tulips in open-toed cut-away sandals, there are plenty of shoes around already in the shops. But the more conventional shoes, with the look, but not the feel of open air, are a practical compromise between our hopes of warmer weather and the reality.

□ Mesh peep-toes, £36.99, in navy or white from main branches of Russell & Bromley. Punched shoes with tan underlay, £52, in navy, red, beige, white or khaki green, from Charles Jourdan, 39-43 Brompton Road, London, SW3. Punched sling back by Jordache, £26, in white/pink, white/beige, white/blue, from all branches of Chelsea Cobbler and selected branches of Rayne.

Patent leather and mesh shoes, £26, in bone, black, navy, red or white, from all branches of Rayne. Woven leather wedge heel shoes, £16.99, in white, natural, navy or tan, from all branches of Bally from next month. Multi-coloured interwoven shoes, £24, in blue, peach, green or white, by Soda, from all Rider shoe shops, South Molton Street, Kings Road and Sloane Street. White flatie with contrast laces and eyelets, £49.50, from Charles Jourdan, 39-43 Brompton Road, London, SW3.

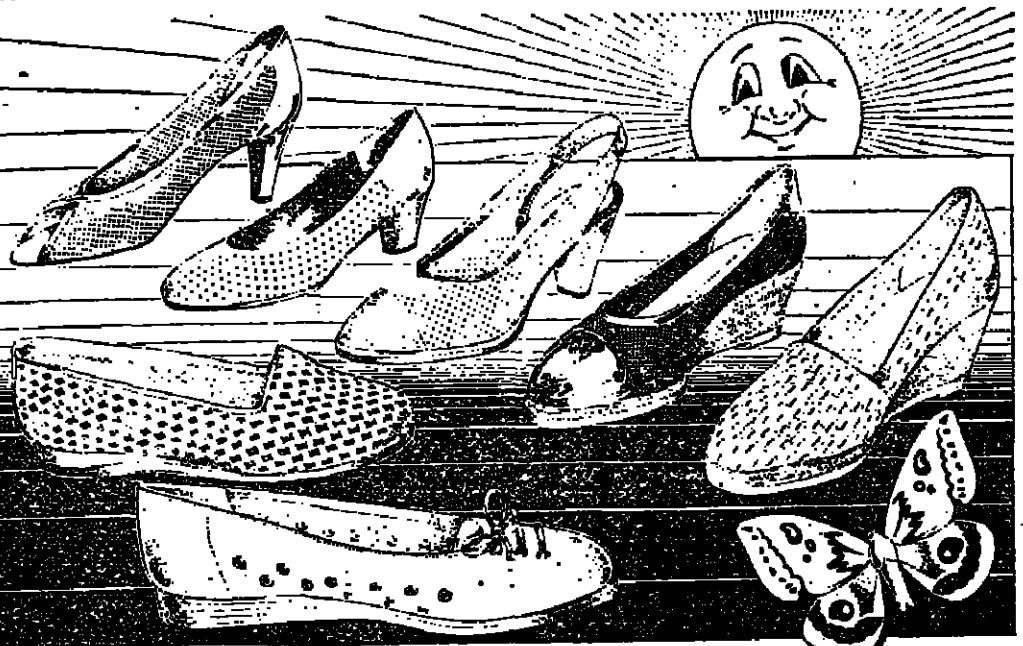


Illustration by Duncan Mill

lose her fringe if she is to wear hats successfully.

When I saw our hairdresser Dar working to give the elegance of a chignon to our model's short, spiky hair, I realized that a big occasion needs the full professional treatment.

The pheasant's feathers clearly come after the egg: you must choose the outfit first. This summer we are fortunate in that the soft crêpe de chine separates which is what most people will choose for wedding/Ascot outfits, are particularly easy to wear.

Since silk blazers, pleated shantung skirts and crêpe de chine T-shirts are simply extensions of our daily sports wear in more glamorous fabrics, we should not feel shy and uncomfortable about getting dressed up.

But what about those hats? Frederick Fox says that his best clients are those who own racehorses and are used to wearing hats to cheer their steeds past the winning post.

Perhaps, like the Tailor of Gloucester, they will find a helpful band of mice to see them through.

For someone like me, whose only recent

brush with millinery was a woolly hat bought for skiing, it needs more practise. That is exactly what you should do, according to David Shilling, who suggested wearing the hat around the house a couple of days before the big event ("any wedding is a very long day"). Model hats are, of course, particularly light, well-fitting and comfortable. The difference in weight between a giant featherlight straw by Dior (at £90) and a far smaller flower trimmed straw boater from a chain store is remarkable.

The grand milliners are looking forward with some trepidation to a very busy season. Since the hall-marks of a good hat are its hand-made trimmings, hand-dyed feathers and veils hand-spun with the skill of a spider, they are expecting many an anxious and sleepless night.

Perhaps, like the Tailor of Gloucester, they will find a helpful band of mice to see them through.

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## Football

## Hooliganism is under control but concern remains over racism

By Norman Fox

Football Correspondent

While hearing from the police that they were getting on top of the problem of violence at football matches, a conference on hooliganism held in London yesterday listened to a warning from the secretary of the Football League, Graham Kelly, that "racism must not take a hold on the terraces".

Mr Kelly said that whether there was any real evidence of racism, or if it was merely the latest fashion, the problem had to be tackled in the past. He said: "We cannot and must not allow football to be used as a tool for racism. However, Chief Superintendent David Polkinghorne, of New Scotland Yard, said: 'I haven't seen any large numbers of people who are racist on the terraces.'"

Chief Superintendent Polkinghorne said that there were no real evidence of racism, but he wondered whether people were a little sensitive to the problem. He said the terraces were "a ground for racial harmony, where working class blacks and whites stand side by side. I don't see it as a problem."

He was also more optimistic than some about the whole problem of hooliganism. The Safety of Sports Grounds Act made the job of the police easier because of crowd segregation and he had no doubt "that the violence that had been removed from the terraces was now occurring outside. Even so, he admitted, the good was still coming and the good are still staying."

Most speakers at the conference organised by the Football Trust

dwell on identification and control of hooligans, with considerable time spent on opinions on closed circuit television, fencing and the transport of crowds. Jimmy Hill, speaking as chairman of Coventry City, cited them for ideas that turned grounds into "concentration camps". He said: "They should be places of entertainment, not to make sure hooligans do not go to football matches. We must get all-seater stadiums, then we will have a product that we cannot see any other answer."

There was general support for a call by Bert Millichip, chairman of the Football Association's disciplinary committee, for a concerted effort to cure the problem. "But in the first instance we need a lead from the government," he said. He was not altogether happy with the cooperation they had received from the government. "The government whether passports of troublemakers at matches abroad could be removed, but he said: "There is a problem."

Mr Millichip was disturbed that, despite trouble with English supporters at last summer's European Championship in Italy, the FA had no control over the distribution of tickets for the World Cup in Spain next year. "They have been given to a newly-formed company we don't know. It is giving us a great problem."

A remark by Dr Cyril Smith, chairman of the Joint Social Research Council, that football was not sensitive to the majority of people who followed the game and, to some extent,

had always "talked to itself and not the wider public" was accepted by Mr Kelly, who agreed that there had always been insularity. However, Mr Kelly rejected the impression that football had done nothing about its problems but he said the efforts had been made in low profile in a "defensive" way. Suggesting that the "seater" stands were lacking in atmosphere and were no guarantee of a peaceful crowd, he said the FA was working with the Football Association's disciplinary committee, for a concerted effort to cure the problem. "But in the first instance we need a lead from the government," he said. He was not altogether happy with the cooperation they had received from the government. "The government whether passports of troublemakers at matches abroad could be removed, but he said: "There is a problem."

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## Ipswich trek to Europe with Burley

burden

From Clive White

St Etienne, March 2

On the eve of the most critical period in their life Ipswich Town were informed today that one of their most valuable players would be out of the game for the next six months. This was the verdict of a specialist on the right knee of George Burley, the club's star forward, who was injured in a tackle during the game with Arsenal on Saturday.

It is a blow to the club, which is looking for a way to get out of its financial difficulties. Burley, who has been with the club since 1974, is a key player. His injury means that the club will have to rely on other players to fill his place.

The club's manager, Bobby Robson, said: "George is a very important player for us. His injury is a serious blow. We will have to work hard to get him back as soon as possible. We are confident that he will be back in time for the next season."

The club's financial situation is precarious. They are in a difficult position and need to raise money to stay afloat. The injury to Burley adds to their problems.

## Rugby Union

## Rees steps out of Welsh shadows for the fourth time in seven years

By Peter West

Rugby Correspondent

Clive Rees, the London Welsh wing, has been recalled by his national selectors to play against France in Paris on Saturday.

David Richards (Swansea) has been switched to the centre again in place of the injured Peter Morgan, of Llanelli, who fractured three ribs in the Irish match at Cardiff and will not play again this season. In other news, the Wales XV, for a game in which victory for either side would ensure them of at least a share of the championship, will be the same as that which defeated Ireland 9-8. The captain and No. 1, Gareth Edwards, has recovered from the back injury which kept him out of Pontypool's cup side last Saturday.

Rees has been having a fine season for his club and was a strong contender when the selectors chose their side for the first international. He now wins a fourth cap in an international career spanning seven seasons, much of it spent in the shadows of Gerald Davies and J. J. Williams. His first match for Wales was against Ireland in 1974. A year later he played against Australia. Then he had to wait three years before he was chosen again for the Welsh side.

The return of Richards to the centre produces, with Ray Gravell, a new midfield partnership for the Welsh. It was one that served the Lions well in their handsome victory over Transvaal last summer, until Richards suffered a dislocated shoulder which marked the end of his tour. Wales will hope that Richards can recapture his old sparkle. If the midfield can manufacture some openings, the pace of Rees should be an extra bonus.

The selectors keep faith in their choice of the Welsh wing. Rees, a young player, still only 23, has been recalled to the team. All Blacks rated him highly, and that was no surprise, because he had an excellent game against the All Blacks in 1977.



Rees: flying on a Welsh wing and a prayer to Paris.

## Freak Irish goal makes up for earlier misses

By Iain MacKenzie

Scottish Univ 1 Irish Univ 1

A freak goal five seconds from time saved the Irish Universities from a humiliating defeat in the bitter cold of the Edinburgh University pitch at Edinburgh yesterday. The Irish team, who were leading 1-0, were reduced to 10 men when a player was sent off. The goal was scored by a player who was not even on the field at the time.

The goal was scored by a player who was not even on the field at the time. The goal was scored by a player who was not even on the field at the time.

## Newport will do town and County proud in Jena

English teams are battling for three European titles this season. But the Welsh are quick to point out that there is a fourth British team in action tomorrow. Little Newport, who are in the first division, who nearly folded not long ago, flew out yesterday to face Carl Zeiss Jena, of East Germany. This is Newport's first European game since they were founded in 1907.

Their manager, Len Ashurst, says: "We will have to be at our best. We have a big game ahead of us. We are confident that we will do well."

in his head and knee injury had improved sufficiently for him to make his debut. The midwinter break in the Soviet season means that West Ham have been unable to see Tottenham in the league. John Lyall, the West Ham manager, is treating the game almost as a holiday for his players. "It's a chance for them to relax and enjoy the game," he said. "We are confident that they will do well."

The manager has still not forgiven him for playing with an injured knee. The game was a 1-1 draw. The manager has still not forgiven him for playing with an injured knee. The game was a 1-1 draw. The manager has still not forgiven him for playing with an injured knee. The game was a 1-1 draw.

The arrival of Mark Douglas (Llanelli) as the reserve scrum half is noteworthy. Here is a young player, still only 23, who has been recalled to the team. All Blacks rated him highly, and that was no surprise, because he had an excellent game against the All Blacks in 1977.

Rees: flying on a Welsh wing and a prayer to Paris.

miss the England game at Twickenham as well. A new cap, Pierre Lacaze (Bedford), who is 23, has been brought in on the bank.

The Scottish goal, in sharp contrast, was a thing to acclaim. Two minutes after the second half their skipper Gillespie, a Highlander from Fort William who is wanted by underworld Athletic when he finishes his studies at Edinburgh, saw a gap and shot in the same moment. He was all of thirty yards out but he was all of thirty yards out but he was all of thirty yards out.

Four in two for Maradona

Diego Maradona scored twice for Boca Juniors, his new club, in the 2-2 draw with Instituto Cordoba in Argentina's first division. Maradona was named as the goal of the match. He scored twice in the first half.

Yesterday's results

Change of shirt, but not of heart, for Bath

which Hodgkinson kicked.

which Hodgkinson kicked.

## String of disappointments for nearly all except Bean

From John Hennessy

Golf Correspondent

No one would want to exaggerate the hardship of a week spent in Florida sunshine. But the call to professional duty in Orlando, so inviting in prospect, proved to be a number of disappointments.

In the first place the entry for the Bay Hill golf tournament was less than expected. It had been expected that the tournament would attract a large number of players. But only 100 players entered.

Best players than they miss the cut from time to time, and indeed did so from time to time, and indeed did so from time to time.

Boxing

Jones the Jab looks up into the singing mountain

Angling

One lone salmon makes one small leap for mankind

For the record

Tennis

Today's fixtures

ISTMIAN LEAGUE: Premier division: 1.000, 2.000, 3.000, 4.000, 5.000, 6.000, 7.000, 8.000, 9.000, 10.000.

Boxing

Boxer still in coma

Boxer still in coma

Boxer still in coma

Boxer still in coma

Boxer still in coma







Following Mrs Thatcher's remarks about a western military force in the Gulf, Richard Owen assesses the prospects for stability in this vital oil area

Bernard Levin

## Why I will take my chance with the bosses

A body called the Campaign for Press Freedom (in the title of which the word "freedom" plays roughly the same role as does "duck" in "Bombay duck", first-class in first-class post, or for that matter, "People's" in "People's Republic of Albania") has expressed its view on the purchase of the Observer by Lord and Lady Murdoch. The organization proposes that a "supervisory board" of "public trustees" should be set up by Parliament "to take overall responsibility for the Observer", and that similar treatment should be meted out to Times Newspapers (whereas... Rupert Murdoch proposes who should be the so-called independent directors we are urging that Parliament should make the choice).

That, as Bertie Wooster used to say, made the old head swim a bit. The newspapers in this country—both national ones, anyway—are in a fairly parlous condition, but so is a man with acute peritonitis, yet suggestions that he should jump off a cliff would, I imagine, be looked at askance by the patient. I have no doubt that some of the more eager Campaigners for Press Freedom look forward to the day when the Parliament-appointed "supervisory board" having taken "overall responsibility" for the press (would anybody believe that it would stop at the Observer and Times Newspapers, or is even meant to, kindly leave the room, because if there is one thing I can't abide it is naivety), a government headed by Mr. Wedgwood Benn, himself, naturally, a supporter of the dubious Campaign, will start handing out the jobs ("Parliament should make the choice just as it does in the case of membership of the independent Broadcasting Authority or the Board of Governors of the BBC").

I could write the list now. Indeed, I shall. The Press Authority, in such circumstances, would consist of Mr. Ted Knight of Leamington and the Militant Tendency; Mr. Arthur Scargill; Ms. Frances Morell; Mr. Michael Meacher, MP; Mr. Denis McShane, a representative, ex officio, of the Anti-Nazi League; Miss Vanessa Redgrave; Mr. Paul Foot; Miss Joan Maynard, MP; Mr. Bruce Page; Mr. Moss Evans (who already believes that the ancient practice of licensing the press should be revived); Mr. Felix Greene; Mr. Colin Redgrave; Mr. Turid Ali; and the Editor, pro tem of Time Out. (Corresponding members, some trifling difficulties with the Home Office making it impossible for them to visit this country, will be Mr. Ralph Schoorman and Mr. Philip Agee).

But the important thing about this splendid proposal is not the use to which it might ultimately be put, and to which, indeed,

there are people active in our public life who are determined that it will be put, if the ranks of the proposed Overseers of the Press consisted entirely of exceptionally liberal-minded individuals who would still be a very bad idea indeed.

There are certainly countries—very many of them—in which the government has "overall responsibility" for the press, and in which the government's appointees certainly are (I quote again from the statement by the Campaign for Press Freedom) "responsible for long-term policy decisions about both the editorial and business development of the paper and the appointment of the editor"; two internationally-known organs of which the above is a most precise description are *Pravda* and *Izvestia*, and to judge by all I hear from my many friends on both papers the system works with great efficiency and harmony. But the residue is never what I mean by press freedom. If it comes to that, the Campaign for Press Freedom also says that the supervisory board will ensure that the press is accountable to the public at large. But it already is, every day of its life, as the readers decide whether or not to buy it.

Once the Government—any government—starts taking over all or any other kind of "responsibility" for the press, the press might as well go out of business at once. The analogy with the IBA and the BBC Governors is, of course, false. The number of broadcasting channels is limited, for technical reasons among others; in the case of the commercial channels a choice therefore has to be made among those competing for the right to use them, and in the case of both the commercial channels and the BBC editorial opinion has to aim at impartiality among competing political and other views.

The other day I criticized Lord Denning's thesis about the duty of the press to be "responsible". I argued that the press has no such responsibility, imposed, because free speech, if it is to be meaningful at all, must be equally available to scoundrels and honest men, to the irresponsible as well as the responsible, to those who want to use it for bad ends no less than to those who want to use it for good. Once that principle is forgotten or eroded, there is no place to stop short of a body outside the press being given the duty of enforcing responsibility and enforcing that discipline with appropriate penalties.

But that call for a "responsible" press was expressed in the obiter dicta of an eminent judge who was certainly not suggesting government control of the press; his remedy was only the use of the existing law

by those charged with interpreting and applying it. Someone has to be trusted to be the judge of fact, and I made my dissent clear and I was interested to see a number of letters expressing agreement, from fellow-inquirers proud to accept my definition of our profession, essentially and vitally a call of rogues and vagabonds. Some of these were from individuals involved in recent battles which involved press freedom in a most direct way. I hope they will be equally ready to condemn this pernicious and sinister development.

For there is one important and revealing difference between the recent rows and the current one. In the former the enemy was the law and the judges; now it is the boss (There was another distinction too, as a matter of fact: in the former had actual taken place, whereas at the moment the opposition is being mounted at a distance which hasn't it does make a difference, you know.) Those who want to restrict the press, the name of the law can sure to find our more active journalists, and, if not quite fashionable, I suspect, to do those who want to restrict the press in the name of independence from the wick capitalists.

So let us pose the question as starkly as we can. Let us assume the very worst possible; that Mr. Rupert Murdoch and Mr. Tiny Rowland have no intention of abdicating their positions; that they will interfere in the newspapers' editorial independence, that they will try to remove matter critical of their other business activities, that they will, in short, prove themselves to be villains of the darkest hue. If we assume a that, we are in a position to know instantly where we stand on the freedom of the press. The question then is: would you rather have that, or would you rather have the Government appoint a "supervisory board" to "take overall responsibility" for the press, including "long-term policy decisions" about both its editorial and business development of the paper, so that it may be "accountable to the public at large"?

Applying that test, I have done at all the stand. I have the bosses of the economy, the bosses of the state, the bosses of the world, and I will take my chance with them, and fight them when I have to (and I my time I have had to), rather than concede the state power to the bosses of the economy, the bosses of the world, the "supervise" the press. And that is why I am a supporter of the campaign for press freedom, and therefore an opponent of the Campaign for Press Freedom.

Times Newspapers Limited, 198

## Keeping on terms with the Gulf

The Prime Minister has some fence-mending to do to convince Arab rulers that the West wants to cooperate, not dictate to them...

Is there a chance of genuine democracy developing in the Gulf? The question is becoming more urgent in the wake of Mrs Thatcher's visit to Washington, as the United States starts to discuss with its European allies what western policy toward the Gulf should be. Some foreign policy officials in the Reagan Administration take the view that since the Gulf is a region of vital interest to the United States, and the West as a whole, local regimes—whatever their character—must be propped up at all costs.

European leaders, on the other hand, would like to see the Gulf States responding more actively to pressures within their countries for social and political change. Oil supplies and security go hand in hand for the Europeans, just as they do for the Americans—more so, in fact, since Western Europe is more dependent on oil from the Gulf than America. But on this side of the Atlantic, the long term view is that the best way of ensuring stability in the Gulf is if local regimes adopt democratic forms of government. And the corollary of that is that if changes are not made, the resulting upheavals could damage western interests.

There are some signs that the Gulf States—which after all have only been independent for a relatively short time—are on the move. Kuwait is a case in point. Because of its position at the north-west end of the Gulf, Kuwait is of strategic

importance, and its high oil output gives it a key economic role. Experiments with democracy in this tightly-ruled emirate might seem risky, but the ruling al Sabah family has shown courage and determination in modernizing Kuwait's institutions as well as its environment.

Elections to a National Assembly were held in Kuwait following independence from Britain in 1961. The Assembly was dissolved in 1976, on the grounds that it was dominated by "dangerous radicals" who were subverting the state. Some of those advising Emir Jaber al Ahmed al Sabah would no doubt have liked the National Assembly to remain defunct. But he has risked fresh parliamentary elections, and the result has vindicated his trust in Kuwaiti common sense.

Government-supported candidates swept the board (not without a little help in the way of publicity). Islamic fundamentalists also did well. Those favouring the extremist brand of Islamic revivalism embraced by the Ayatollah Khomeini did

poorly, on the other hand, even though the Khomeini revolution is based on the Shia branch of Islam, and a quarter of Kuwait's population are Shi'ites.

Kuwaiti democracy is far from perfect, however. Under Islamic law, women are effectively disenfranchised, so that only male Kuwaitis are eligible to vote. Over half the population of Kuwait consists of foreign migrant workers, from the Indian sub-continent, Iran, North and South Yemen, even from Oman further down the Gulf, and they too are banned from voting. This second class status is common for immigrants throughout the Gulf region, and a potential source of friction.

Much will now depend on whether other Gulf States follow Kuwait's example. The United Arab Emirates and Qatar have advisory councils, but nothing resembling parliamentary institutions. Through the Gulf, in fact, power is in the hands of small family groups, and although oil revenues have brought prosperity, how that prosperity is used depends on how enlight-

ened and adaptable the individual ruler is.

In Bahrain, Sheikh Isa Ibn Sulman al-Khalifa is advised by a council partly drawn from circles outside the royal family, and is hoping to introduce a national assembly before long. On the other hand, a group calling itself the Islamic Front for the Liberation of Bahrain has claimed that unless it is systematically repressed, and even Amnesty International has expressed concern over the death in detention of two political prisoners last year.

It is sometimes argued that western institutions and mores are not necessarily appropriate to Islamic cultures, which have their own time-honoured methods for consultation between rulers and ruled. This argument is most forcefully put in Saudi Arabia, the giant of the region, from which the smaller states in many ways take their lead. There are no political parties in Saudi Arabia, and all key cabinet posts are in the hands of the ruling family of al-Saud. But under the Islamic tradition of Shura, information about the needs of

Saudi society does percolate upward so that decisions are not made at the top in isolation.

Technological change is in any case obliging Gulf rulers increasingly to delegate authority to young, often western-educated technocrats. The problem for the West is how to encourage change of this kind, without opening the way for revolutionary groups likely to introduce regimes more despotic than the existing ones.

The ruling families of the Gulf are very much aware of the conflicts which threaten them, including strife between Shia and Sunni Muslims, antagonism between migrant workers and indigenous populations, and the appeal of Islamic fundamentalism. But they are naturally sensitive to what they see as attempts to impose policies on them, whether in connexion with the protection of oil supplies or internal change.

Mrs Thatcher's insensitive remarks in Washington about the need for a western military force in the Gulf have brought out the negative side of the always ambivalent Arab relationship with Britain, which until 10 years ago was the main regional power. The Prime Minister has a fair amount of fence-mending to do during her visit to the Gulf next month if she is to convince local rulers that the Europeans are sensitive to their needs, and want to cooperate with them rather than dictate to them.

## The EEC farm policy that is not as black as it is painted

Slanging the CAP is a fashionable but dangerous pastime because the benefits of agriculture can be forgotten

With the publication of the EEC Community budget. It is true that this is about 70 per cent of total Community expenditure. However, the Community budget itself is not comparable to a national budget which is used to regulate the economy as a whole. The balance of resources used within it. National government expenditure commonly accounts for over 40 per cent of gross domestic product. In the United Kingdom the percentage reached 46 per cent in 1975/76. Expenditure on the CAP is rather less than 1 per cent of the total EEC gross domestic product.

Secondly, the idea that the CAP is of benefit only to what Michael Shanks called "the dwindling minority of Europe's workers". In the EEC farmers and growers directly employ about eight million people and agriculture is one of the biggest providers of employment in the United Kingdom than in other Community countries.

First, agriculture's share of

but, largely because of a fine record in improving productivity, it remains Britain's biggest primary industry. Also, regard must be paid to the importance of agriculture to other sectors.

We reckon that in the United Kingdom the CAP has employed on the farm another two are employed in industries which supply goods for farming, or process and market farm output. If the same holds true throughout the Community, the proportion could in practice be higher; then there are more than 20 million jobs which are dependent upon agriculture and horticulture. So it does not do to underestimate the importance of the industry in economic or employment terms.

Thirdly, the idea that all

CAP prices are wildly out of line with prices on world markets, and are giving rise to mountains of produce which cannot be disposed of economically. So-called "world" prices for agricultural products are usually in themselves quite representative of realistic production costs. They often represent residual markets covering a relatively small proportion of total world supplies and the prices at which regular large purchases can be made are normally much nearer to EEC levels.

Indeed, at present, even the "world" prices of a number of the main agricultural products are moving towards, or are above, the EEC levels. World production of grain has exceeded production for the past two years. Stocks have

now reduced to the level they were at just before the great grain crisis of the early 1970s and additional land suitable for grain growing is no longer easily available. In a word, there are no cheap supplies of grain.

People are often slow to comprehend the large quantities of food that would be needed to replace even a modest reduction in Community supplies. Australia's total availability of beef for export in 1979 was, for example, only some 700,000 tonnes—equivalent to perhaps 15 per cent of Community production. Given that there are other customers for that meat, one has to ask what effect an increased EEC import requirement might have on the offering prices of agricultural products.

In practice, the only temper-

less than 90 per cent over the same period. And, contrary to popular mythology, agriculture and horticulture have been acting as a brake on inflation and not as an accelerator. In the year to January 1981, the retail price index in the United Kingdom rose by 13 per cent but the cost of food went up by only 9 per cent. Farm prices went up by even less.

It is tempting, therefore, to put the farmers' case on the CAP in terms of a fair comparison of incomes with the rest of the population. But to do so would be to overlook an even more important underlying concern. The British Isles and Europe are blessed with productive land and a good climate for food production. If properly used these resources can be of great long term benefit to our own consumers and to people elsewhere in the world not similarly blessed. But if the productive capacity is to be sustained and

improved, it is essential to adequate financial resources to be put into agriculture. Slanging the CAP is a fashionable but dangerous pastime because the benefits of agriculture can be forgotten.

The test of the CAP, and of the farm ministers who administer it, is whether a few resources can be diverted from agriculture into other Community policies, but whether the decisions can be made which will sustain for the next decades the contribution which agriculture has made to the British and European economy in the period since the war.

Richard Butler  
The author is President of the National Farmers Union.

## LONDON DIARY

### The victorious gang of three at the LSE

I can offer a crumb of comfort to Messrs Owen, Rodgers and company as they are roundly abused this morning by their parliamentary colleagues for resigning the Labour whip. Their embryonic social democratic party has won its first election. And the victory should be all the sweeter for having occurred at the London School of Economics.

Despite its lingering reputation as a hot-house of pronouncedly leftist student politics, social democratic candidates have captured the top three places in the LSE's student union elections, defeating hopefuls from a student Labour Club which has recently enjoyed divisions and defections not unlike to those the grown up party has been experiencing nationally.

John Munford, a former president of the National Union of School Students, Keir Hopley and Nick Newman, all politics students, were elected as general secretary (in effect the president), senior treasurer and social secretary of the LSE union despite the fact that the social democratic grouping (too soon to call it a party) was formed only a fortnight ago.

To add insult to injured pride, the outgoing general secretary Ed Jacob, elected last year on a Labour Club ticket, has also defected to the social democrats.

The winning candidates place at least part of their success at the feet of Shirley Williams, who addressed a packed Fabian Society meeting on the eve of the poll.

Jacob told *The Times* yesterday that issues at the LSE reflected the national issues confronting the Labour Party—whether he should be accountable to the Labour Club or the union as a whole, whether the student paper should be independent and how far the union should push LSE into resisting rises in overseas students' fees, whatever the consequences.

New secretary Munford, who Hopley is a former Labour Club member, said: "We are interested in practical policies rather than sloganeering. We have left-wing aims but we are democrats."

He hoped their success would be mirrored in other student unions. "There are plenty of students who basically have a left-wing standpoint but are also concerned about democracy," he said. "If it is right, the Gang-of-I-Am-Rapidly-Losing-Count may yet regret the passing of

the University seats from the House of Commons."

Watch this space tomorrow for further centrist revelations.

### Eureka!

This is the promised moment at least 200 of you have been waiting for—the result of my recent competition to compose an encomium on Greece's accession to the EEC using English words derived from Greek.

Given the difficulty of the task, the response was gratifyingly enormous, spurred on no doubt by the draw of a glittering prize of the kind more often found in that less expensive popular newspaper which has recently become our sister-in-law.

The outright winner is Peter Peterson of Field Cottage, Farnham, Blandford Forum, Dorset. His entry was one of the shortest, an elegant pair of

Sapphics:  
"Down with archaic xenophobic anathemas! Let us Philhellene with enthusiastic Polyglot paeans hymn in Sapphic metre New symbiosis, the empirean Echo euphoric in ecstatic chorus, Hailing with frenzied syncope rhythm Hellas in Europe!"  
He wins the first prize of a

week's holiday for two by Olympic Holidays.

He wins not just for brevity, which is a virtue in journalism, but for neatness of expression. The judges, glassy-eyed from reading those 200-plus entries, were saddened by how many automatically disqualified themselves by writing far more than the maximum 200 words asked for.

They were surprised by how many more words directly descended from Greek than are dreamed of in their philosophy you had dug out. But how few verbs there are. Odd.

To be magisterial, too many competitors strove to show off their erudition rather than write good English or even sense. Entries came from as far away as Japan. One clever acrostic entry spelled PHILHELLENE. Several ingeniously alliterative entries worked their way through the alphabet from alpha to zeta. It was a pleasure to read as many schoolchildren putting up such a good show. One Oxford undergraduate wrote her encomium in the shape of a map of Greece (minus Mount Athos). Numerous couples competed against each other.

The second prize of L. R. Palmer's *The Greek Language* or a £25 book token goes to Mrs H. R. Halliday for a brilliant parody of the first stanza of Keats's *Ode To A Grecian Urn*. She pipped by a short

head Mr Halliwell of the above-mentioned acrostic.

Third prize of a bottle of 7-star Greek brandy, guaranteed to make you feel as though struck by Zeus's bolt, goes to Mr E. K. Stopford of Oxford for a short, persuasive entry in good Greek-English prose.

Sir David Hunt, one of the judges, will present the prizes to all who took part. I wish we could have sent you all to the sun.

### Tiger at bay

Mrs Thatcher, fresh from her uncompromisingly hawkish performance in the United States, will be pleased to hear the news from the constituency of Cardiff West, currently occupied by the Speaker, George Thomas. Local Conservatives have adopted Stefan Terlezi, a Ukrainian Cardiff city councillor of pronouncedly right-wing views, as contest the seat at the next election.

Terlezi could not under any circumstances be mistaken for a Tory wot. He favours a national referendum to try to curb "damaging union power", but he should not be under-rated; when he opposed James Callaghan in 1974 he reduced the Labour majority by more than 8,000 votes.

There is of course something of a tradition that the Speaker, of whatever persuasion, is slightly above party politics. Tory Central Office are stressing Terlezi has been nominated in retirement; the last and only occasion they fought the Speaker's seat was in 1895.

Indeed, for the first three decades of this century, Speakers' seats were not contested by any party. Since then someone has challenged the Speaker at every election; of the nine elections held in Speakers' seats between 1935 and 1974, four have been contested by independents, five by Labour, and three by Liberals. When he last faced the electorate in 1979, George Thomas comfortably thwarted the aspirations of Welsh Nationalist and National Front candidates, even though his position prevented him from campaigning.

Memory blank

A severe attack of oriental amnesia has struck the Hong Kong Oxford and Cambridge Society, which is trying to remember who is its current vice-president in order that he may become president this month.

The secretary, Colin Boscher, in a somewhat embarrassed statement has disclosed that the society's annual Boat Race dinner at the Royal Hongkong Yacht Club last year became "boisterous", and that "during

the strenuous activities all records and recollections were lost."

No member of the committee of the honourable club can remember that who was then appointed vice-president, a post which involves automatic ascension to the presidency the following year. Not even the successful appointee, it appears, can remember that he was picked. It must have been quite a party.

The outgoing president, Jonty Driver, has publicly announced that he and the secretary will be running an open line telephone day and night for any members who have "helpful information". Naturally they hope for a call from the vice-president should his memory be restored.

Driver, ever an optimist, believes that Oxbridge honour will prevent any imposter from claiming a title that is not rightfully his.

Third storey

Following the news that the Royal Institute of British Architects has caught the London University democratic disease, and is to have its presidency contested for the first time in nearly 60 years, I hear that a third candidate has thrown his hat into the ring.

He is Jake Brown, who works for the Greater London Council, claims to represent the salaried as against the private practice architect, and delivered his challenge even later than the eleventh hour; to be precise, it was at 11.30 last Friday night, half an hour before nominations closed.

Brown will be fighting Andrew Derbyshire, the senior vice-president who was expected to be elected unopposed, and Owen Luder, a former treasurer. Since none has yet issued a manifesto, I can only guess that the main issues are likely to involve the ethics of allowing architects to advertise, and whether or not the RIBA is too aloof and elitist.

I hear that the TUC and the Tory Government are locked in an amoral embrace of cooperation to head off a potential embarrassment. Next Monday union leaders are due to visit the Department of Employment headquarters to unveil a centenary plaque to Ernest Bevin, founder of the TGWU and Churchill's minister of labour. Unfortunately, that very day civil servants are staging a one-day strike; neither side wishes to soil the Bevin memory with the sight of the TUC general council crossing a picket line, and alternative plans are being hurriedly examined.

Alan Hamilton



As money gets tighter the public asks a pertinent question

# Is the growth in government expenditure desirable?

The share of our output that governments spend on paying their employees and buying in goods and services has been rising (Table I). In the good years, people were becoming more prosperous and they accepted increasing government expenditure philosophically. Now that economic growth rates have slowed, however, the public are starting to question the desirability of this growth in government expenditure.

The statistics which purport to measure government output at constant prices largely reflect not the quantity of services produced, but the quantity of man-power and other resources that are used in supplying these services. There is, therefore, no easy way of testing whether the value obtained from government services has risen fast enough to justify the rate of increase in expenditure on them.

One approach is to argue that a nation should buy less of a service if its relative price increases and more if it declines. Table II, therefore, compares trends in the price of government services relative to that of the domestic product taken as a whole, with the share in the quantity of resources devoted to these services. The relative price estimates make little or no allowance for improvements in the quantity or quality of the services. The table can, however, be used to estimate by how much these factors must have risen in each country to justify the trends in the allocation of resources.

In Germany, the quantity of quality factors must have increased by well over 25 per cent since 1965 (the table understates the true position since, unlike the other countries, Germany assumes that productivity is improving when calculating government output at constant prices). In Britain the factors referred to must have increased by about 20 per cent, while in France, to justify the falling trend in resource share, the ratio of actual to apparent value should have risen by less than 20 per cent, and in Italy there should have been no increase at all, or perhaps even a slight decline.

Is there any evidence to show that variations in the quantity or quality have behaved in these different ways in the different countries? The easiest services to examine are health and education, which account for between a third and a half of all government consumption. Basically we can use as our estimator or quantity the number of people receiving each type of service, but we must also consider whether there have been changes in quality.

Table III shows how much the number of students weighted by grade has grown in each country between 1965 and 1975, a proxy for growth rates in the quantity of health services consumed, the table also shows indices for the number of

admissions to non-psychiatric hospitals. The remaining columns of the table show the ratio between these indices and that for government expenditure at constant prices. These are compared with the relative price indices shown in Table II. It will be seen that if we correct only for quantity the French and Italian figures are consistent with the declining shares noted.

For Germany, unless the education index is much more typical of growth in the quantity of services provided by the German Government than is the figure for hospital admissions, the rising share of resources devoted to government expenditure cannot be explained without recourse to quality improvements. Britain is in an even worse position. The increase in output quantity is less than the real increase in government expenditure. This means that to justify the rising share of resources devoted to government expenditure the quality of the services will have to have improved even faster than their relative price.

There is little evidence to suggest that the quality of education has improved significantly since 1965. Some might be tempted to adopt the circular argument that an increase in resources used by a student represents an improvement in quality. However, educational researchers say attempts to demonstrate that small classes produce better results than large ones have been at best inconclusive, so it is unlikely that a reduction in pupil-teacher ratios leads to a pro rata increase in educational quality.

In health care, on the other hand, there have been improvements demonstrated by the declining rates of mortality associated with birth. Other factors besides improved health care contribute to the increased expectation of life. This figure therefore, while the maximum benefit obtained from an improvement in health care although an allowance should be made if any reduction in suffering as a result of bad health could be demonstrated.

The figures shown here are patchy but they do provide much evidence to suggest that the real value of government services in Britain and Germany has improved sufficiently to justify the increasing share of resources devoted to them. Germany might possibly be able to justify its economic growth rate has been such that it now places a greater value on services than on goods, but even here it is difficult to see why this argument should not also apply to France whose growth rate and standard of living is comparable. Britain is certainly in no position to advance this argument.

The French and Italian figures are complicated by the practical exclusion of health



The health services are one sector in which increasing government expenditure, both in Britain and West Germany, may not be justified.

service expenditure but its possible that France has reacted to the rising relative cost of government services by reducing the resources allocated to this function while Italy has been more successful than the other countries in controlling cost increases.

Rates of pay are the most important determining factor of the relative price of government services. After 1975 the price of British government services started to increase less than did the general rate of inflation. This was because of the incomes policy then in operation but could also have been caused by a realization that the services had become overpriced. More recently, however, the relative price has started to rise again as a result of public servants obtaining

wage increases to restore the 1975 position.

The present Government has now declared that future wage increases will be curbed but this declaration has been justified on the grounds of economic difficulty, not of poor productivity. There is no reason to suppose, therefore, that relative prices will not start to increase again if prosperity returns.

When it is needed is the preparation of more detailed output statistics, as recommended by the United Nations and the EEC, for each department of government. These statistics would not only enable improvements in the quality or quantity of services to be estimated more precisely but they would also enable productivity to be monitored and commensurate wage increases awarded. In this way resources could be allocated more rationally than at present.

James Rothman

\*Manual on National Accounts at Constant Prices, UN, 1974, Price and Volume Measures for Non-Market Services, Hail TP, Statistical Office of the European Communities, 1975.

Table I: The Government's share

	Germany	UK	France	Italy
1960	13.5	16.5	14.1	12.2
1965	15.3	18.8	13.3	14.5
1970	15.9	17.7	13.5	12.7
1975	20.9	22.4	14.4	13.8
1977	20.0	20.8	14.9	13.7

\* Adjusted to enable comparison with subsequent years.  
Source: Calculations based on UN National Accounts Statistics.

Table II: Relative price indices and government shares in quantitative terms

	Germany		UK		France		Italy	
	Relative price index	Govt. Quant. share	Relative price index	Govt. Quant. share	Relative price index	Govt. Quant. share	Relative price index	Govt. Quant. share
1960	92	16.2	95	21.8	90	16.7	81	15.0
1965	100	17.0	100	21.1	100	14.8	100	14.5
1970	111	15.9	109	20.3	107	13.4	100	12.7
1975	126	18.4	125	22.4	121	12.8	102	12.5
1977	127	17.6	120	21.7	124	12.9	105	13.1

Relative price index. Cost of government services relative to that of all goods and services (ratio between government consumption at current and constant prices, divided by gdp deflator and indexed to 100 in 1965).

Govt. Quant. share. Government expenditure at constant prices as a percentage of gdp at constant prices.

Health service expenditure has risen as a percentage of gdp. If the French and Italian quantity shares had included health expenditure financed by transfers the downward trend would not have been so marked.

Source: Calculations based on UN National Accounts Statistics.

Table III: Has the increase in government output grown enough to explain the apparent increase in relative prices?

	Germany	UK	France	Italy
1975 index (1965=100)				
Students weighted by grade at 1975 prices	187.8	136.8	132.3	141.3
Hospital admissions (non-psychiatric)	131.9	114.8	155.8	143.7
Ratio to index for expenditure at constant prices x 100				
Students	128	103 (89)	94	97
Hospital admissions	88	87 (86)	111	99
Relative price index	126	125	121	102

\* Ratios to government educational and health expenditure at constant prices—corresponding figures for other countries not available.

Source: Calculations based on EEC statistics.

Table IV: Health improvements between 1960 and 1973

	Perinatal	Infant	Maternal	Men	Women
Germany	13	13	61	0.4	2.0
UK	12	5	26	0.7	1.3
France	13	13	28	2.2	3.8
Italy	19	22	72	0.9	2.6

\* Difference between expectation of life at one year old in 1963 and 1973.

Source: Calculations based on data in International Comparisons of Health Needs and Services by Robert Maxwell, King's Fund Centre, 1980.

Methods used to estimate government output and expenditure at constant prices

Germany: Volume of employment adjusted to allow for increases in productivity, also volume of purchases and depreciation.

UK: Volume of employment and purchases.

France: Education, a weighted index of students enrolled at various educational levels. Remainder from volume of employment, purchases, capital consumption and secondary sales.

Italy: Education, number of pupils graduated. Remainder from volume of employment, purchases and capital consumption.

Source: National Accounting Practices in 70 Countries, United Nations, 1979. Volume implies either a direct measure of quantity suitably weighted, or expenditure deflated by a suitable price index.

In France and Italy government expenditure includes only a small proportion of expenditure on the health services.

Gossip from Brussels

## Gaston's lot is not a happy one

"Roy may not have set the world on fire, but after a few months of Gaston we will all be begging him to come back."

Things have not yet come to that pass, but the Luxembourg's first two months in office have been far from happy. From the moment he set foot in the Berlaymont, the Commission's glass-and-steel headquarters in the heart of Brussels, little has seemed to go right.

First, there was the indecorous scramble for jobs in the new Commission. This quadrennial event is always a painful exposure of the hypocrisy of the Commission's pretensions to be an Olympian college far above the crude interplay of national interests which motivate ordinary politicians. But this pretence looked especially thin on this occasion.

Admittedly, Mr. Thorn had always been fewer worthwhile applicants, whose number was this year increased from 12 to 13 (not counting Mr. Thorn himself) by the arrival of Mr. George Kinnock, the new Greek commissioner. He is a spry 68-year-old (rumoured actually to be in his early seventies) from the island of Tinos in the Aegean.

Mr. Thorn's task was made still harder because an "old guard" of eight incumbent Commissioners, led by the formidable Belgian, Vicomte Etienne Davignon, already held most of the best portfolios and had made clear they had every intention of hanging on to them.

Indeed, Vicomte Davignon, in a remarkable feat of daylight piracy, grabbed both the energy and scientific research portfolios to add to his existing industrial responsibilities, even before the negotiations proper on job distribution had begun.

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It was against this background that there occurred what has come to be known as the "Tugendhat affair". It has all the ingredients of the best Brussels disputes: cloak-and-dagger work in the corridors, malicious "leaks" to the press by interested parties, and a personal feud between Mr. Thorn and Mr. Tugendhat.

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Was this, as some in Mr. Tugendhat's entourage tended to suspect, a sinister plot to weaken British influence over budgetary policy? Or was it merely, as many observers thought, an attempt to give Mr. O'Kennedy, a fine-sounding title to disguise what was in reality pretty much of a non-job?

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Multinationals are reluctant sponsors

## Museum of the Year awards' future threatened

On March 23, 1981, Mme Simone Vail, President of the European Parliament, the guest of honour at a gathering of scholars, from museums all over Europe, will present the fourth series of European Museum of the Year awards at the Guildhall in the City of London.

The reception, with 400 guests, will be hosted jointly by IBM sponsors of this event since 1977 and Times Newspapers. Yet there will be a cloud over it. The money to continue this initiative in 1981 is not yet secured. Indeed, its continuance is threatened exactly at the moment when it is taking root as one of the few truly European cultural initiatives which have succeeded in practical terms, and can be shown to be working.

On a national scale, we have become accustomed to the role of the industrial sponsor, and indeed in most countries it is welcomed and encouraged. But the European Museum Trust faces some special problems. It was started with a grant from the European Cultural Foundation. IBM Europe then took the responsibility to run it for three years until a wider financial base could be found. In the fourth year, it seemed that a new and highly-suitable sponsor had been found in Times Newspapers but recent events leave a large question mark over such sponsorship.

The problem is that while national responsibility for the support of such ventures is widely recognized, multinational companies have proved

far more reluctant to face up to the same calls on the corporate conscience in any truly European sense. Yet, some may wonder, if this kind of appeal goes unanswered, will that not be a sad indication of the unreality and impermanence of the European idea itself? Where a modest sum—an annual \$50,000—could do so much to reconcile a doubting public to the true potential within the individual countries of the multinational firm as a base for enriching the community, an answer must surely be found.

The concept of enlightened sponsorship of this type is difficult enough to promote in large corporate structures. It may prove easier in wealthy firms which are still controlled by one man with a strong

interest in museums and the arts. What exactly would such a sponsor be backing?

The winning museums, to be honoured on March 23, have been chosen by an international committee—a Swede, a Belgian, a Frenchman, a German, and two Englishmen, with a former director-general of Unesco in the chair. During the past four years, this hard-working and much-travelled committee has visited more than 100 new museums in connexion with the main award alone, from the far north of Norway and Finland to Cyprus and Malta, and from the west of Ireland to the south of Portugal. It has met museum directors and their colleagues, talked to designers, civil servants and politicians, and received innumerable confidences.

Its favours have been spread widely. Previous winners of the striking Henry Moore trophy, which goes on display at the European Museum of the Year for one year, have included Britain's Ironbridge Gorge Museum; the Schloss Rheydt Museum at Mönchengladbach; and the Musée Camarguais near Arles in France. All have reported similar side-effects of the awards on their own museums. But in 1981 there may be no winner at all: only a loser, the wider cultural community of Europe, and in a small way, the idea of Europe itself. That is unless some enlightened sponsor agrees to come to the rescue at the last minute.

John Letts  
chairman,  
National Heritage

Man who once saw coordinating Community policy as 'impossible'

## Now Signor Scotti has overcome his own acute crisis

In Italy, coordinating Community policy is no longer "impossible", as the Italian Minister for Europe, Signor Enzo Scotti, described it last Christmas, when he threatened to give up and leave a government where "at one desk the Minister for Agriculture decided something, and at another the Minister for the Budget cancelled it".

Today, Signor Scotti, aged 47 and a brilliant, intelligent Neapolitan and Christian Democrat who is close to Signor Andreotti but, at the same time, a personal friend of Signor Forlani, is no longer something unique in Italy—a minister who wants to resign because he is not allowed to do his work properly.



## EUROPA

## Facts and figures

## Prospect of full-scale trade war looms

International economics are dominated by the strikingly contrasting performances of the dollar and the Deutsche mark. More worrying, however, is another wider but more deeply-seated development, which is forcing governments into taking increasingly direct action on their imports and exports. In the overall depression, foreign trade is becoming the only lever they can use to circumscribe the recession and slow the rise in unemployment, which is reaching peaks unknown since the great depression of the 1930s.

Hence the increasingly pronounced contrasts among the four European countries, which are on the defensive, and the inevitability of a full-scale trade war, with governments coming to the rescue of their home industries, using the full arsenal of resources devised and developed over the years. The most catastrophic situation is still that in Italy, whose trade deficit increased fourfold between 1979 and 1980. The Government, short of taking action aimed at a real improvement in competitiveness, has approved direct measures to make available almost 10,000,000 lire to provide Italian exporters with cheap credit. As well as an improvement in the trade balance, it is looking for a 3 per cent contribution to growth in the gnp and the creation of 380,000 extra jobs.

The scheme is impressive, but what are its chances of success? There is no lack of pitfalls. In monetary terms, how is it possible to reconcile this boost given by Signor Enrico Manca, the Minister for Foreign Trade, with the application of the brakes by Signor Nino Andreatta, the Minister for the Treasury, who is aiming to back his efforts to counter inflation by imposing strict limits on credit growth, which he intends to keep within 12 per cent (whereas the inflation rate is above 20 per cent). Not surprisingly, this strategy has caused a certain amount of vacillation in the Italian Government.

The most worrying aspect, however, is the extent to which international limitations can compromise such a course of action since, if each country is hoping to derive maximum benefit from a putative improvement in conditions in neighbouring countries while holding out at home, the chances of success are far from certain. What is worse, such a strategy could backfire

	quality of growth			maintenance of growth		
	rate of growth	prices	unemployment	productive capacity	foreign trade	vulnerability to external factors
GERMANY	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●
FRANCE	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●
ITALY	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●
BRITAIN	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●	●●●●●

## United States: strong economic activity

Growth rate: the signs continue to point to strong economic activity rather than to any slowing down. December saw increases in industry's orders (1.9 per cent) and orders for durable goods (1.9 per cent); in January retail sales rose by 2 per cent and industrial output by 0.6 per cent.

Prices: there has been no let-up in inflation which, on the basis of the last three months of 1980, is running at a rate of over 13 per cent.

Unemployment: the unemployment rate, calculated as a proportion of the working population and seasonally adjusted, was unchanged between December and January at 7.4 per cent. However, the absolute figure for the number in employment has risen by 410,000.

Foreign trade: the trade deficit, calculated fob/cif, increased sharply from \$1,660m in November to \$2,980m in December; oil imports were up 22 per cent by volume and 25 per cent in value terms.

Monetary and financial influence: although there has been a further slight fall in prime rates to 19 per cent, there can be no real relaxation until significant progress has been made in reducing inflation and the budget deficit.

## Japan: industrial output on upward trend

Growth rate: industrial output seems to be on an upward trend, the December 1980 figure having been 3 per cent higher than that for December 1979 (compared with a 1.9 per cent increase in November).

Prices: inflation stabilized over the last three months at

an annual rate of 3 per cent; calculated over 12 months, the rate is down from 8.5 per cent to 7 per cent.

Unemployment: the unemployment rate, calculated as a proportion of the working population and seasonally adjusted, fell from 2.3 per cent in November to 2.2 per cent in December (the Japanese

rate is underestimated in comparison with the American and European rates).

Foreign trade: the trade balance recovered well in 1980, which ended with a surplus of \$2,100m. The year 1981 began with a further surplus of \$470m in January, but a deficit of \$1,400m before seasonal adjustment.

Monetary and financial influence: the Japanese Government, in order to parry the thrust of the Japanese offensive, it was co-operation of this type that President Giscard d'Estaing was seeking at his meeting with Chancellor Helmut Schmidt on February 5 and 6.

It was followed by a glowing communiqué, but no decisions. This may be a little surprising, since the West Germans, too, are in despair. As a result, the survey by the Frankfurt Allgemeine Zeitung shows, their exporters are pessimistic about 1981.

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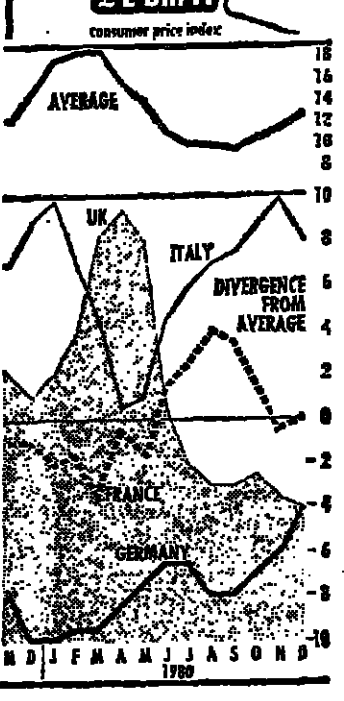
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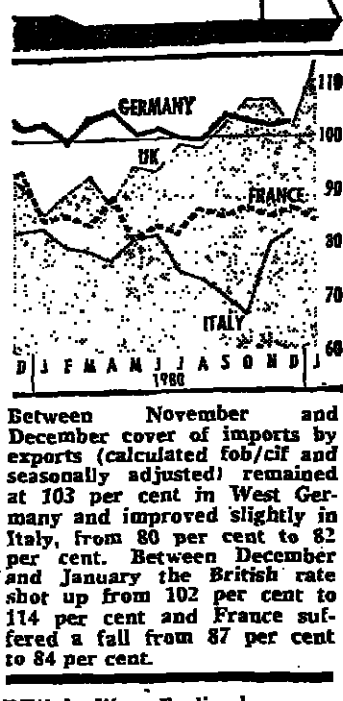
really serious threat to West Germany's traditional markets. Moreover, the extraordinary new situation, with the Deutsche mark under threat, has shaken West German belief in the virtues of a strong currency.

Although the West Germans resisted the protectionist blandishments from France at the last Franco-German summit, there are now signs of change in thinking. The Hamburg Institute, HWVA, has pointed to the potentially beneficial effect on exports of the weakness of the Deutsche mark and another institute, the

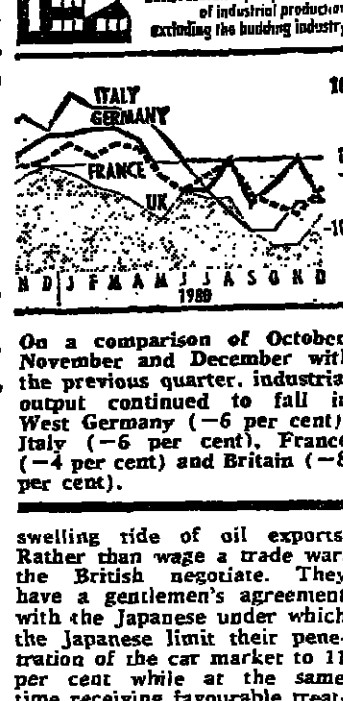
## PRICES FOREIGN TRADE



## INDUSTRIAL GROWTH



## UNEMPLOYMENT



Between December and January the average inflation rate for the four European countries rose from 11.6 per cent to 12.7 per cent, the main cause for this further acceleration being the rise from 5.5 per cent to more than 8 per cent in West Germany. There were also increases in France (from 11 per cent to 12 per cent) and Italy (from 22 per cent to 23 per cent), but no change in Britain (8 per cent). These rates are based on the past three months. On the year-on-year reckoning the figures are 5.8 per cent for West Germany, 12.8 per cent for France, 13 per cent for Britain and 21 per cent for Italy.

Between November and December cover of imports by exports (calculated fob/cif and seasonally adjusted) remained at 103 per cent in West Germany and improved slightly in Italy, from 80 per cent to 82 per cent. Between December and January the British rate shot up from 102 per cent to 114 per cent and France suffered a fall from 87 per cent to 84 per cent.

DIW in West Berlin, has gone so far as to propose withdrawal from the European monetary system.

Britain alone remains confident in the virtues of rediscovered liberalism in the conduct of its external as well as internal affairs. It is in an extraordinary situation, not dissimilar to conditions in the Opec countries, with a contrast between financial strength and economic weakness. Its trade balance is running at a surplus, so that one problem has been removed.

But in Britain, too, employers and unions are up in arms in protest about bankruptcies and soaring unemployment respectively, and they are both putting forward plans for recovery as the Budget approaches. Will Mrs Thatcher be influenced by the plan proposed by Sir Terence Beckett, director-general of the Confederation of British Industry, which calls for action to bring down the exchange rate of the pound from its present high level, which is severely handicapping British exporters?

The Treasury has recently acknowledged that the fall in business activity during the final quarter last year was twice as bad as the authorities had expected and that much of the blame for this is attributable to the underlying trade imbalance masked by the

swelling tide of oil exports. Rather than wage a trade war, the British negotiate. They have a gentlemen's agreement with the Japanese under which the Japanese limit their penetration of the car market to 11 per cent while at the same time receiving favourable treatment of their establishment of plants in Britain.

The recent agreement with Nissan, with the threat represented by this new Japanese bridgehead, came as a shock to partners in the European Community. As has been pointed out with great realism by the head of this firm, Mr Takashi Ishihara, it remains to be seen whether it will be possible to get the British to adopt the Japanese working methods and change their style of industrial relations.

The Japanese are therefore persisting with an offensive which would do credit to any military strategist. It is based on pincer movements directed against industries and it is menacing the governments of the four European countries.

However, as Herr Wolf von Amerongen has pointed out, the Americans are also moving on to the offensive. They are switching from investment abroad to exporting, bringing a slowing down in the deterioration of their trade balance, while at the same time the balance on invisibles is reaping the benefits of past investment, so that the current account balance of payments moved back into surplus in 1980.

If the world is to avoid a trade war which would harm the interests of all concerned

Between December and January the unemployment rate expressed as a proportion of the working population, after seasonally adjusted, continued its steep rise in Britain, from 8.75 per cent to 9.2 per cent and also advanced appreciably in France from 7.05 per cent to 7.25 per cent. There was no change in the West German rate (4.35 per cent), although the unadjusted figure increased from 4.3 per cent to 5.6 per cent.

in the end, much depends on the Americans, and a particularly important role falls to Mr William Brock, the new White House special representative for foreign trade. He has made clear that the voluntarist style of President Reagan's team could be extended to foreign trade, announcing his intention to pursue "a tough and aggressive policy" and stating that it was necessary "to be very firm with the Japanese".

He also issued a warning to Europe, expressing irritation at the manoeuvres of the French in particular who, he says, are skilful at diverting the flood of Japanese car exports. Time will tell how Mr Brock fares in putting his ideas into practice. Will rediscovered American liberalism be confined to the domestic scene or will it be extended to external affairs?

Maurice Bommensath, economist with Cegos, management consultants, Paris

## 'Black' economy Moonlighting an indicator of hyperdevelopment

The black economy is growing steadily in the industrialized countries. Undeclared employment is on the increase, apparently independently of economic conditions. It is an escape valve used, according to International Labour Organization estimates, by between 3 per cent and 5 per cent of workers in the Organization for Economic Cooperation and Development (OECD) countries to circumvent the ever greater fiscal, social and technical constraints imposed in societies which are becoming increasingly "organized".

There has been much comment on the extent of moonlighting in Italy, but these phenomena are now just as widespread in countries like West Germany and the United States, not to mention France and Britain. Their presence has long been considered as an indicator of underdevelopment, but it is perhaps becoming the opposite: an indicator of hyperdevelopment and the imperceptible medium of the transition from the industrial society to the post-industrial phase. It is this that explains the different attitudes to this phenomenon adopted by governments.

According to a survey carried out by the Bielefeld research organization in Germany there are almost two million workers in the black economy and 8 per cent of employees have a second job. These people are thought to account for 2 per cent of the West German gnp and undeclared income is believed to have increased five times in as many years. An article published last June in *Intercontinental* suggests that these "Schwarzarbeiter" are "hiding" the tax and social security authorities of some Dm10,000m a year, or three times the annual budget of the Federal Ministry of Finance.

According to trade association estimates, in the building industry 70 per cent of carcass work and 90 per cent of painting is done on the lump sum basis lost by garages includes more than two million brake changes and replacement of shock absorbers and exhaust systems on four million vehicles; and up to 80 per cent of building plans are prepared not by independent architects, but by members of the public service working in their spare time (the best way of making sure that plans meet with approval).

In comparison, France, which like Belgium has mounted the most determined campaign against undeclared employment, is thought to have only between 500,000 and one million workers in the black economy, although according to a SOFRES survey, only 25 per cent of French people are resolutely opposed to black employment. The association estimates that the turnover of the alternative economy is comparable to that of its own industry, at about 90,000m francs.

The insurance documentation and information centre puts the figure at about half as much, calculating that this means losses of social security and unemployment benefits contributions totalling 18,000m francs, while the fiscal authorities would be losing 6,000m francs on value-added tax alone. According to other estimates, illicit cash-in-hand payments to workers in France amounts to 10,000m francs, or 3 per cent of official salaries and wages.

"We do not consider it desirable to suppress all forms of marginal work. Marginal employment acts as a valve, it proves against the inflexibility which it imposes upon itself." Thus the authors of the report by the Commission of the European Communities on the marginal and clandestine labour market in France, the United Kingdom and Italy.

They point out that "the second job, which is generally illegally combined with the main job, is often a type of work which would not be offered or would not be accepted. Usually it is part-time, offers wages which are adequate only as a supplement to the main income, and the worker is likely to be treated as self-employed rather than employed. Most important, 80 per cent of such jobs are in service industries, whereas it is in productive industry that job creation is required."

In West Germany the craft industries trade association claims, on the basis of a rough calculation, that if all the work done in the black economy were placed with craft businesses, 375,000 jobs would be created, but more realistic estimates which take account of the fall in demand and the lack of skilled labour put the figure at between 100,000 and 200,000, which would mean a



net loss of employment. Campaigning against undeclared employment with the aim of reducing unemployment should therefore be approached with caution.

On the one hand, trade unions like the CFDT in France are right to emphasize the distinction between "clandestine work" and "moonlighting" to damp the ardour of those whose version of a more informal economy is so uncompromising that it could lead to a reduction in the safeguards enjoyed by workers as a whole. On the other hand, union leaders like those of the SCIL in Italy are displaying realism when they seek to include all forms of employment in their plan of action; this explains the conclusion of a national collective agreement on home work, whose status they are seeking to regularize in order to distinguish it from clandestine work.

In Italy where there are between three million and five million workers in the black economy, undeclared employment plays an extraordinary role as an economic regulator. Government statisticians believe that fewer than 80 per cent of the true gross national product is reflected by the official figures. Almost 30 per cent of exports, which struggle to balance the country's heavy imports of energy products in particular, are made in areas where the black economy thrives. For instance, in Prato in Tuscany, 8,650 small

businesses out of 9,605 use undeclared labour. Throughout the country there has been a large increase in small firms which declare four or five employees and have an effective workforce of possibly 50.

In Britain, despite appeals from many experts convinced that the underground economy will continue to grow if nothing is done to stop it, the Conservative Government has not decided to take effective action against undeclared employment. The official statistics estimate the number of undeclared workers at between two million and three million. The Inland Revenue has calculated that, in the tax year 1978-79, undeclared income which escaped tax amounted to about £11,000m, or 7.5 per cent of gnp.

Between 1972 and 1978 the number of undeclared workers (the most practical device for nations for cash payments) in circulation rose by 470 per cent, which was four times as fast as the overall monetary growth rate. The British black economy relies particularly on unofficial moonlighting by people with declared occupations.

In Western Europe this phenomenon has not yet reached a scale comparable with what can be found in the United States where it is not always clear whether the official market or the black market predominates, when tomatoes are sold at double the price shown in shop displays when new flats are delivered in such a poor state that it is routine to have to call in workmen after normal hours to put in doors, windows and baths which work properly. But all societies have their ways of defending themselves against financial and bureaucratic constraints.

In the United States it is estimated that 15 million to 20 million people fail to declare income of over \$1,000 a year. In 1979, including 4,500,000 who live entirely on earnings from unofficial jobs. According to Internal Revenue estimates, the underground economy represents between 5.9 per cent and 7.9 per cent of the gross national product.

Recently, the United States has seen a return to the barter economy on an unprecedented scale. "A lawyer may receive an antique in payment for his services or a printer may take a free supply of drink in return for printing brochures promoting some liqueur," we learn from an article in *Inter-*

"Elsewhere, medical treatment or legal advice or a divorce may be bartered against work on a car, ranging from small repairs to a full service. In 1978 there were already about 1,000 barter co-operatives in the United States, with memberships ranging from 500 to 10,000. In Los Angeles a specialist weekly, *Barter*, has more than 10,000 subscribers. Even more extraordinary is the record of a New York company, which in 1975 arranged transfers of goods worth some £2m among 100 or so companies which had stocks to swap among themselves.

In most countries clandestine work and parallel economies are seen increasingly as more than opportunities for workers to escape social and fiscal pressures which are often bitterly resented at rank-and-file level. They are also seen as a means of furthering their aspirations for greater independence. Even in France, where the administrative system makes for centralization and authoritarianism, the recent report on this topic by M Robert Delorozoy recommends that there should be constructive measures which take clandestine workers' motives into consideration as well as preventive action.

In this he agrees with the conclusions of the EEC experts: "Constructive measures should accompany preventive action aimed against use of clandestine workers. These, combined with small craft businesses, so that they can be profitable, without having to increase prices, could be more beneficial than indiscriminate hunting of all forms of illicit employment."

However, it has to be acknowledged that the emergent dual or pluralist economies are becoming increasingly difficult to manage with central institutions, whose grasp they are tending increasingly to escape. There are about 20 million unemployed in the OECD countries, and probably 15 million unregistered workers.

Jacqueline Grapin

\**Intercontinental* No 61, June 1980.  
\*Commission of the European Communities: *Le Travail marginal et clandestin en France*, au Royaume Uni et en Italie, *Strud* no. 79/42.  
\**Problemes politiques et sociaux* number 400, *l'economie souterraine*, published by Documentation Française, October 24, 1980.

## Rising stars An empire built on cocoa substitute

This is the story of an industrial empire founded in 1946, as the result of an idea that today is worth about 700,000 lire a year (in 1979 turnover was 642,000m lire). It is the story of the Ferrero sweets empire, a family story of three or four people who, without banks or help of any kind, succeeded by intuition and entrepreneurial skill.

The story starts with Pietro Ferrero who had an ordinary pastry shop in Via Rattazzi, in Alba, a large agricultural town in Piedmont. The war had only just ended and it was a mystery how pastry shops kept going: cocoa was almost unobtainable and chocolate was a high price. Ferrero racked his brains for a product to replace it.

Whole months went by devoted to research, blending cocoa butter, sugar and walnuts, and the judge of each new blend was Pietro's wife, Piera. Each time she would taste each new result, think about it, and say: "No, we are not there yet." Her husband would go back to the laboratory, start again, varying the amounts of the different ingredients, until finally, at the beginning of 1946, Piera said decisively, "Yes!"

They called that walnut-flavoured chocolate *Pasta Gianduja*, and in December 1947, the first 600 lire a kilo, against 2,500 to 3,000 lire for cocoa chocolate, which was rare. In February, 1946, the first 300 kg of *Gianduja* were sent out of the shop in Via Rattazzi, and in December the same year the output was 100,000 kg. Orders were flowing in from all over Italy. Indeed, "orders" was hardly the word—"supplications" is what they really were, as customers from all over Italy begged for deliveries, urgently, and in ever-increasing quantities.

In the meantime, the small factory moved from Via Rattazzi to Via Vercelli, 17, which is still the head office, though it has increased

enormously in size. From the five or six employees who worked in the factory at the beginning, the number had now risen to about 100, and there were never enough of them (three years later there were 1,000).

"Machines, that's what we need", Pietro Ferrero said. But who was to be his, so he invented some himself, for mixing the paste and packing, while all the time creating new products such as *Supercrems*, the forerunner of Nutella. Sometimes he even came out of his laboratory and called a few of his employees to give a hand with the pick-axe, to knock a wall down and enlarge the factory.

Now another person came into the picture, much to the firm's good fortune: Giovanni Ferrero, Pietro's brother. He was the organizer, the man of the firm and efficient sales organizations. He was a man who had no need of secretaries or files. He simply said: "It's all written up here", pointing to his head. He was a man who did all his accounts, running into thousands of millions of lire, on cigarette packets. It was his idea to cut out the wholesalers and sell to retailers direct, supplying them with his own delivery vans. There were 12 Ferrero vans in 1947. In 1966 there were 2,000. The number rose to 2,500, with only the Italian Army having a larger vehicle fleet.

The Ferrero brothers both died when they were 50—Pietro in 1949 and Giovanni in 1957—as the result of heart attacks. Control of the firm passed to Michele, Pietro's only son, who had both his father's qualities (imagination, intuition and sales flair).

A young man was now in charge of the firm, working with his mother, Signora Piera

Ferrero died last December. She was chairman of the board of directors of the most successful sweet-making firm in the EEC, with little in the way of formal schooling, she was extraordinarily able. She used to say "You don't need to know a great deal about economics; common sense is sufficient."

In Michele's hands, the firm took the biggest step of all. Ferrero, with 300,000 sales outlets, had solid foundations in Italy. There was, however, a limit to what Italy could give, and so Michele looked abroad. A European venture was an exciting thought, and in 1956 he set up a factory in Allendorf, in Germany.

It was a daring act, something of a challenge, for where chocolate is of the most Germany is one of the leaders, with 120 firms in competition. Michele knew that to succeed he had to have a quality product that was original. "It's not use trying to break into a market with a product that people know already. We have to have something new." And so, he created *Mon Cheri*.

After the German company, now called Ferrero OMC, in 1960 he founded a French Ferrero—originally called Dulcea—another in Belgium and another in Britain. But by his he carried on the process in other countries (the last to be formed was Ferrero Japan) and organized distributors throughout the world. Other factories were also set up in Italy. The head offices for administration, publicity and the scientific laboratories are at Piner, on the hills just outside Turin. At the end of last December, Ferrero became a holding company.

Michele Ferrero continues to invent new products, such as *Tic Tac* and *Duplo*, and many others. He is the man who brings us to the King's table, and the breakfast products, and so on.

Michele Ferrero, who is 55, has two children, both boys. When they were born he took them into the factory to show them to all his employees—production workers and office staff alike. "I thought it was right to introduce my successors to my employees."

Luciano Curino

## EUROPA

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## NO SAFETY IN INSTABILITY

Today's defence debate will not be only about Trident and Polaris. It will give the Commons an opportunity to grapple with the whole range of arguments which now envelop the subject of Britain's defences. The arguments are not new but they have recently become more earnest and politically divisive than for many years. The split in the Labour Party is one symptom of stress. The reemergence of the Campaign for Nuclear Disarmament is another. The Government is right to feel that the subject must be confronted publicly and head on. To dismiss the questioning of established policy as the work of a small political minority is to misjudge the public mood. Many people who do not support the unilateralists are sufficiently worried to want open debate. The choice of Britain's next generation of nuclear missiles is not strictly part of this debate because it is largely a technical and financial issue, but it has brought the broader issues into the open.

## Negotiating limits on arms race

The conventional wisdom with which we have lived since the start of the nuclear age is that nuclear weapons—if they can be kept in the hands of reasonably civilized governments—tend to lessen rather than increase the danger of war because they raise the costs to unacceptable heights. Confidence in this assumption is now diminishing for two main reasons. First, these civilized governments have been unable to negotiate effective limits on the arms race. They continue to pour huge sums of money into increasing their arsenals, each claiming to be catching up with the other. This not only wastes money which could be better spent but increases the danger of war by perpetuating instability and aggravating mutual fear and distrust. Moreover, their political relations are worsening.

Secondly, the latest nuclear weapons are so accurate that it begins to become possible to think of knocking out most of an opponent's weapons at one blow, leaving him with the choice between surrendering or suffering total destruction of his cities. In theory the Soviet Union will have this capacity over the next few years and the West will have it in the second half of the decade if present programmes continue. On paper it seems to make nuclear war thinkable again, thereby weakening the argument that the balance of terror is the best guarantee of peace. Certainly Soviet experts write with chilling calmness about fighting and winning a nuclear war.

Anxiety is therefore widespread and justified, but it produces different responses. On the fringes of the unilateralist movement there are a few true believers in Soviet communism. With them the argument is not about nuclear weapons but the nature of the Soviet system. Similarly there are some consistent pacifists with whom the argument is not about nuclear weapons but about the use of force. The broad warm heart of

the movement is more difficult to get to grips with because it brings together several overlapping schools of thought. Some want Britain to rely on the protection of the Americans. Some believe conventional weapons could provide sufficient deterrence. Some believe Britain should opt out of the alliance altogether.

Many, however, are driven by a simple conviction that anything is better than the horror of nuclear war. In other words, better red than dead, if those are the alternatives. This can be an honest position if the implications are squarely faced. Traditionally it has been regarded as right to prefer death to dishonour, but the choice may no longer be personal or even national. One is justified in trying to save one's own honour, or one's own political system, when doing so might destroy millions? This is a moral dilemma on which honourable people may differ.

But too many unilateralists are not honest with themselves. They seem to believe that Britain could withdraw from the nuclear defence of the alliance without any significant risk—or indeed that it would be safer outside. Some explain this by saying that the Soviet Union is not in fact expansionist, that its military posture is largely a reaction to a perceived threat from the West, and that if the West disarmed it would not seek advantage, or might even disarm too.

## Russian tradition of expansion

This is a weak argument. Russia has a long tradition of expansion and the Soviet Union has continued it by extending its influence wherever possible. Of course it can be argued that expansion has been undertaken only in the search for greater security, but one would need enormous confidence in this argument to stake the entire survival of western democracy on it. No responsible government could do so. And even if, for the sake of argument, one were to grant that Soviet intentions may now be pacific, is there any guarantee that they would remain so if the Soviet Union found itself enjoying unchallengeable military superiority in Europe? Power can corrupt governments as well as individuals.

Some members of CND reply that if a popular movement against nuclear arms were successful in Britain it would spread to western Europe and then to eastern Europe and perhaps even into the Soviet Union. This is a very distant possibility on which no government policy could be based. Admittedly if western Europe were to disarm it would give the Russians interesting problems in eastern Europe, but the Russians solve many of their problems by brute force and would be more likely to do so in this case without NATO opposite. Unilateralist policies would thus launch Britain into a totally unpredictable future. To remain in the alliance without contributing effectively to it would be

impossible, so Britain would at some point find itself outside. This might seem comfortable for a while because the Russians would presumably point their rockets elsewhere. But Britain is an important member of the alliance and her withdrawal would have wider effects.

There are several directions in which things might go, all of them undesirable. For instance, with the European balance upset, the Americans would depend almost wholly on West Germany which might feel obliged to increase its defence effort, thereby alarming the Russians and slowly unstitching the entire European security system. British withdrawal would then have increased, not decreased, the danger of war.

## Danger of American withdrawal

Alternatively, with the European alliance falling apart the Americans might withdraw to the other side of the Atlantic. This could add to the dangers of a Soviet-American confrontation elsewhere. It would also leave western Europe with no effective defence against the Soviet Union. Probably the Soviet Union would not march in but it could slowly increase its political influence to a point where political, cultural and economic freedoms would be destroyed.

Perhaps this would be preferable to nuclear war but there is no guarantee that this process would avert war. The present European security system, imperfect though it is, has prevented war for a comparatively long time by the standards of European history. It will certainly have to be modified over the years to reduce tension and bring eastern and western Europe closer together, but to destroy it unilaterally through British withdrawal would plunge it into highly dangerous instability. The more insular escapists among the unilateralists do not face up to this, or to the effects which would come back on Britain.

They claim to be driven by moral concern but there is a streak of highly immoral irresponsibility in their desire to escape the risks which go with a sense of common duty towards the fate of Europe.

Governments, however, must take seriously the anxiety which feeds these tendencies or it will cause them still greater problems. It is to a large extent the result of the joint failure of East and West to reduce their differences and bring the arms race under control. The Russians must bear a lot of the blame because they continued to build up their arms while the Americans were cutting down in the 1970s, but the failure of the United States to ratify SALT II did a lot to undermine European confidence. If western governments are to avoid the further growth of unilateralism they must be seen to be trying harder to make the present balance stable and effective. But they can base themselves on the argument that instability increases the risk of war, and unilateralism increases the risk of instability.

## WHAT ARE THE NEW PARTY'S RIGHTS?

Now that twelve former Labour Members of Parliament have decided to sit in the House of Commons as Social Democrats a number of delicate questions will have to be decided. They have still to establish themselves as a separate party in the country: that move will be taken within the next few weeks. But from now on they have every right to be considered as a separate party in Parliament. That judgment will be challenged by those who maintain that the Social Democrats can have no parliamentary legitimacy until they have been elected with that label. Each of them was returned to the House of Commons in May 1979 as a Labour MP, and it may be argued, they cannot claim that they would enjoy the same support as Social Democrats until that has been put to the test at the polls.

Yet there are reasons of both precedent and principle why the Social Democratic dozen should not be required to resign their seats and stand again in the ensuing by-elections. It has never been the practice that a member who crosses the floor of the House is expected to submit himself immediately for reelection. It is true that Mr. Tavener did so at Lincoln in 1973, but that was the exception not the rule.

There is no good reason why a member should be required to do so because this would imply that he is elected simply as the nominee of his party. It may be more difficult these days to

sustain the constitutional principle that an MP is the representative of his constituents, with the freedom and the responsibility to exercise his judgment on their behalf, but it needs to be sustained at every opportunity.

It follows that if a group of them decide to exercise their judgment so as to form a new party they have every right to do so. They should be recognized in the same way as any other party for the proceedings in the House, for service on select committees and so forth. It would also follow logically that twelve Social Democrats should take precedence over eleven Liberals as the third largest party in the House. But if the Social Democrats hope to have the electoral alliance with the Liberals by which they set such store they would be wise not to press their case in that respect. The Liberals would be justifiably upset if they were ousted from their position by a new group with only one more member, none of whom had stood for election in the colours in which they were now fighting.

There are then a series of questions, of a quasi constitutional nature, as to how the Social Democrats should be treated for broadcasting purposes. So far as news bulletins and the ordinary run of current affairs programmes are concerned, the broadcasting authorities should be guided solely by news values—which probably means that the Social Democrats would receive more exposure than their numbers in Parliament would suggest.

Party political broadcasts between now and the next election are a different matter. They are allotted on the basis of votes cast at the last election. These are the existing rules, and these formal broadcasts are not of such consequence that a concern for political equity should require them to be changed. The Social Democrats will not suffer too harsh a handicap if they do not have a party political broadcast in the meantime.

During the next election campaign they will have the right to one television election broadcast and one radio broadcast, each of five minutes, provided that they put at least fifty candidates in the field. Soundings have been taken by the broadcasting authorities and there is at the moment no disposition to change these rules. It is understandable that there is no rush to do so before a new party has even been formed in the country. But it would be quite wrong to stick inflexibly to the old regulations in new and fluid circumstances quite different from those for which they had been devised. The Social Democrats did not win any votes at the last election because they did not exist. But they will be represented at the next election by a number of members in the present Parliament and the opinion polls suggest that they will have a good deal and possibly a great deal of public support. A sense of fairness and realism requires that they should not be treated like a tiny fringe party of no consequence.

Office Research Unit must be false economy. The publications of the unit are to be found on the bookshelves of every probation office. They are a valuable asset to those of us engaged in the field of crime and delinquency. Yours faithfully, MARTIN MURPHY, 53 Holloway Road, N7.

## Crime prevention research

From Mr M. B. Murphy  
Sir, Mr. Louis Blom-Cooper, as a distinguished authority and a member of an enlightened pressure group, wrote to you today (February 27) to express concern about the threat to the Home Office Research Unit. As a probation officer, I share his disquiet.

When resources are limited, surely

it becomes even more necessary to see that they are expended most appropriately, through the monitoring of existing practice and the evaluation of new methods. Progress in the treatment of offenders need not cost more, and indeed is likely to save money, if only on the high cost of imprisonment, but it does demand skilled analysis: research is essential to advancement. Any reduction in the resources of the Home

## Helping the people of El Salvador

From Mr C. Martin Bax

Sir, Recent correspondence under this heading has not addressed itself to actually helping El Salvador's people but only to arguing about how the present appalling situation has arisen.

Continuous advice and information from our partners there has convinced Christian Aid not only that humanitarian aid is very urgently needed, but that United States policies supporting the Junta in El Salvador are likely to escalate the violence and increase the suffering of the people.

Christian Aid has therefore made an appeal to its supporters in the British churches, and funds are being rapidly transferred to the Ecumenical Committee in El Salvador. Reliable channels for the application of this aid have been established. Through the British Council of Churches we have strongly requested British Government support for the proposed EEC humanitarian aid to be spent through the International Committee of the Red Cross.

The British Council of Churches has also urged the British Government to consider its policy of not supplying military or economic aid to the El Salvador Junta, and to support efforts to negotiate peace such as the West German initiative. Of course the Soviet and Cuban Governments' activities are significant but they will only succeed if the violence escalates.

Your readers may wish to support all of these initiatives actually to help the people of El Salvador.

Yours faithfully,  
C. MARTIN BAX, Associate Director, Christian Aid, 100 Regent Street, London W1, February 27.

From Mr Hallam Murray

Sir, I cannot share Mrs Thatcher's view that it is for the people of El Salvador to solve their own problems (Leader, February 28). This predominantly agricultural country—barely the size of Wales with a population of four million—has a landless peasantry and a powerful group of landowners, known as the "Fourteen Families". The "right-wing" military Junta which they support is of a particularly oppressive and unpleasant kind and is unlikely to moderate its policies without strong international pressure.

Last year a friend and I bicycled through El Salvador on our way from Los Angeles to Lima, Peru. We met and stayed with many poor farming families. We often discussed the sad plight of their country, which is outstandingly beautiful and as rich in agricultural land as any country in Latin America. Without exception, the men and women whom we met were sickened by the crossfire of violence between left and right and longed for the day when peace and their families might live in relative safety.

The El Salvador Human Rights Commission announced recently that 0.3 per cent of the population was killed during 1980, the vast majority by the regime's soldiers, paramilitary forces and death squads. One recently has begun to take due notice of this appalling situation. Without the strongest international pressure for land reform and for human rights, combined with a substantial package of international aid, it is difficult to see how the position can improve for these largely law-abiding and hard-working people.

Yours faithfully,  
HALLAM MURRAY, 97 Shuteborough Road, SW11.

## Private members' Bills

From Mr Barry Sheerman, MP for Rotherham, East (Labour and Co-operative)  
Sir, Further to Mr Angus Nicol's (letter, February 26) doubts as to the purpose of a Private Bill, may I support him in so far as Parliament's role in private members' legislation is concerned?

Some of the long and irrelevant speeches he refers to may well have been intended to obstruct not clearly to amend a measure, but by my own Safety of Children in Cars Bill, which was due to immediately follow for its second reading. The tactics which can be employed to sink almost any such Bill increasingly make a mockery of any pretence at a truly independent private member's contribution to the law-making process.

Changes in the treatment of private members' initiatives are, in my view, urgently needed if it is to retain any credibility at all. I believe that the role of private members' legislation should be increased, and that odds against private members' Bills getting on the statute book should be reduced.

Many important reforms have been enacted through the medium of private members' legislation and I feel that this should be increased. Yours faithfully,  
BARRY SHEERMAN, House of Commons, February 27.

## The Blue Division

From Mr John Crookshank

Sir, Your leader (February 26) about the recent, abortive coup in Spain summed up the situation clearly and concisely—and optimistically both for Spain and for her European neighbours, but not everyone would describe the Spanish Blue Division as "infamous".

The Spanish troops were deployed amidst the bleak Finnish forests and lakes at the northern end of the German front in a somewhat battlefield. They lacked mobility, were low down the priority list for modern equipment and must have wondered what they were fighting for but, as Spanish troops always do, they fought with bravery and determination in an unusually nasty part of a nasty war.

## A switch in Civil Service loyalties?

From Mr G. W. Thom

Sir, It is reported (The Times, February 26) that the First Division Association, representing the administrative grades—from Principal to Permanent Secretary—in the Civil Service, has resolved to back the campaign by the Civil Service unions over pay.

The Civil Service has not always been treated generously or fairly in matters of pay and conditions of service, but until recently civil servants have accepted that where this is a conflict between the national interest as the government of the day sees it and their own interests, the former must prevail.

As everybody knows, this is no longer the case. However, until quite recently the First Division Association was notably less willing than the unions representing the lower Civil Service grades to drift with the prevailing tide. A disturbing change became apparent when the association decided a few years ago, by a majority vote, to join the TUC.

To join a body associated in the public mind with a particular method of pursuing industrial disputes and, equally important, with a marked political bias, showed bad judgment.

The decision yesterday, February 25, appears to mean that a substantial proportion of the members of the higher Civil Service are prepared to participate in action designed to hold the community to ransom in pursuance of their selfish interests. I express no view on the rights and wrongs of the dispute between the Civil Service and the Government. That is not the point. The point is that a large number of public occupying positions of influence at the centre of the governmental machine now subscribe to the doctrine that their first loyalty is to themselves and not to the Government which they are employed to serve.

Members of the public no doubt feel that they are right, but I suspect that a larger number take a different view. I am sorry that I feel moved to write in this strain about former colleagues but I feel that it would be healthy if there were to be some public debate on the changed ethos of a Service once renowned for its good sense and high standards.

Yours faithfully,  
G. W. THOM, The Old House, Upper Green Road, Shipbourne, Tonbridge, Kent, February 26.

From Mr A. J. Roberts

Sir, There was a time when the Civil Service could expect fair treatment from both your influential columns and from the Government; sadly it seems that neither is possible now.

You suggested on February 27 that the pay research unit would give a rise far above the prevailing rate. However, you choose to overlook the

fact that this can only be possible if the current rates of Civil Service pay are, and have been for some time, far below the rate in comparable occupations. Now the Government has not only refused to honour the long established pay research system but has even suppressed the latest findings. This is surely a most lamentable example for a British government to set in the field of industrial relations.

Sir, all the civil servant is seeking is fair treatment but both you and the Government appear to resent and reject even this. Yours sincerely,  
ANTHONY J. ROBERTS, 179 Osborne Road, Brighton, February 28.

From Mr Theo Hetherington

Sir, As an ex-civil servant and former member of the First Division Association, I write to say how shocked and disgusted I was to read in your issue today (February 26) that the FDA have actually given their approval to "strike" action by the other Civil Service unions.

Does it really have to be pointed out that the duty of civil servants is, above all, to serve—to serve with unflinching loyalty and integrity the government of the day, whatever its political complexion? In the past the British Civil Service has been proud of a fine tradition of doing exactly that. The only distinction, in this regard, between the armed forces of the Crown and its civil servants is, or should be, that the former wear uniform and the latter do not. They all have the duty and privilege to serve.

In return for their loyal service, civil servants are rewarded—if a reward for serving one's country has to be computed—by greater security of employment and more generous conditions of retirement than are enjoyed by most others outside this corps d'élite. But even if they were not, for a government servant even to consider withholding his service should be unthinkable: it is a contradiction in terms. Yet now we are told that the FDA, those who should have the deepest sense of responsibility and the sharpest awareness of the duties of a civil servant, are actually condoning what is curiously misnamed in your report as "industrial action" (as if a civil servant were an industrial worker), but what in the fighting services would be called mutiny.

If any such infamous "strike" does take place I hope that the Government will immediately invite all retired civil servants to offer their services free, in any capacity, during the period of the stoppage. There must be many like myself who would want to do something to atone, in however small a degree, for such an appalling disgrace.

Yours faithfully,  
THEO HETHERINGTON, Mushroom Cottage, Barker's Hill, Shaftesbury, Dorset, February 26.

## Heritage in danger

From Professor J. D. Evans

Sir, The recent decision by the Government to withdraw from the International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM) (letter, February 17 and 26) is a signal and shocking example of the follies which can result from the implementation of a broad policy decision without due consideration of the consequences in detail. Despite its sesquipedalian appellation, ICCROM is a small but highly effective international organization which has done splendid work both directly and indirectly in promoting the conservation of the material cultural heritage (buildings, paintings, museum collections, etc.) all over the world, and in the training of conservators and museumologists from many countries in the latest techniques.

The Government has no criticism of ICCROM's work and the amount contributed by Britain annually (\$65,000) is minute. The consequences of withdrawal on the other hand will be far reaching. Britain will suffer most, first in loss of grants to British candidates for ICCROM courses, secondly and more importantly in the inevitable loss of prestige and influence in a field where we have been regarded

as leaders. ICCROM itself could also suffer further financial losses through the bad example set by our Government.

The benefits which we have enjoyed as members of ICCROM far outweigh the cost of membership even in financial terms, as Mr. Feilden and Dr. Taylor have shown. From my own experience as Director of the London University Institute of Archaeology I can add another example which they did not mention. In four years in the early seventies ICCROM provided generous financial support for a post in our Conservation Department to help the development of training in the subject.

The Government's action is as foolish in practice as it is disgraceful in principle. Some consultation beforehand might have prevented the perpetration of this absurdity in the name of a consistent policy. The Director of ICCROM will certainly have the full co-operation and backing of the Council for British Archaeology in his fight to raise Britain's subscription privately, but may one not hope that, in the light of the facts, the Government will now put good sense before consistency and revoke its decision?

Yours faithfully,  
J. D. EVANS, President, Council for British Archaeology, 112 Kennington Road, SE11, February 27.

## Fight on the beaches

From Vice-Admiral Sir Hugh Mackenzie

Sir, The letter (February 20) from Mr. P. M. Barlow under the above heading is exceedingly welcome, not only because its publication is some recognition of the very real threat to migratory salmonids which will inevitably develop should a fishing up on the beaches policy be adopted by the EEC, but also because it outlines so clearly this threat and the problem associated with sensible conservation of salmon and sea-trout when in the marine environment.

The Atlantic Salmon Trust has long maintained the crying need for resolute action to protect such a vulnerable but valuable resource, and this has been well represented to appropriate authorities in the United Kingdom and the EEC. But the problem is not solved by establishing a 12-mile limit, or a limit at any other distance used to define national fishery limits.

Within such limits around the United Kingdom it is the Trust's view that all drifting fishing for salmon and catching of migratory salmonids by gill nets of any description should be banned, existing fisheries being phased out gradually. Beyond national fishery limits there should be a complete ban on all forms of fishing for salmonids, in conformity with the appropriate article now and at last about to emerge from the United Nations International Law of the Sea Conference, in the initial drafting of which article the Trust played a substantial part.

Yours faithfully,  
HUGH MACKENZIE, Chairman, The Atlantic Salmon Trust Ltd, 14 Downing Street, Farnham, Surrey, February 23.

## Swoop on the provinces

From Lady Elton

Sir, The sound of battle in Fleet Street is heard only too clearly in Bristol, where the Bristol Evening Post and the Western Daily Press are under threat of total control by the Associated Newspapers Group.

The concern for a healthy provincial press was put forward by The Royal Commission on the Press in 1949. The high mortality rate of independent provincial newspapers, and the consequent impoverishment of regional life, alarmed Sir Linton Andrews, Mr. E. W. Martin, and Professor Raymond Williams, F.R.S., who further considered the inestimable value of the local weeklies, and the means to secure it.

Since then, the Plymouth, Cheltenham, Gloucester, Torquay, and Exeter dailies, as well as 12 local weeklies including, ludicrously enough, the Cornish Guardian, have fallen to the Associated Newspapers Group. One wonders what credentials a vast metropolitan newspaper chain might claim as guardians of the richly diverse interests of West Country communities.

Daniel Defoe observed in the Bristol of the 1720s "a more entire independence upon London than any other town in Britain". Farley's Bristol Newspaper, "printed at my house near Newgate, in Wine Street" was part of that independence. Not far from Wine Street, the Bristol Evening Post has in our time served the interests of the Bristol region for half a century.

Yours faithfully,  
MARGARET ANN ELTON, Clevedon Court, Somerset, March 1.

## West Indies tour questions

From Dr J. W. Butt

Sir, I hope those who complain about the Guyanese attempt to ban a British cricketer were not supporters of Mrs Thatcher's attempts to wreck the Olympics.

Of course, it may be that those who are guilty of this inconsistency think that the Soviet invasion of Afghanistan is more hateful than apartheid. I wish they would come out in the open and say so.

Yours faithfully,  
J. W. BUTT, Department of Spanish, King's College London, Strand, WC2, February 27.

From Mr O. E. Palmer  
Sir, I am sure you are right (leading article, February 27)—it is for the selectors to select.

I am equally sure it is for the selectors to respect the feelings of the hosts (feelings shared in this country) if they claim a right to select the guests.

Yours faithfully,  
O. E. PALMER, 11 Causeway, Horsham, West Sussex, February 27.

From Mr P. J. Spooner  
Sir, It is sad that Robin Jackman, who has made such a stoical contribution to the English county scene for many years, should be used as a political pawn, especially at a time when he is on the brink of representing his country overseas.

It is perhaps a point for reflection that a number of the current West Indian team play consistently against South African citizens, albeit outside the boundaries of the Republic itself.

Yours faithfully,  
P. J. SPOONER, 131 Boundary Road, Wallington, Surrey, February 27.

## EEC quantum theory

From Lord Walston

Sir, Your issues of February 20 and 23 remind us that the annual battle over farm prices is now starting in Brussels. You rightly point out the difficulties raised by over production, which to many indicates that prices are too high; and the fall in farm incomes, in spite of good harvests, which supports farming arguments for higher prices.

At last the Commission is moving towards policies which can square this circle: the idea of a co-responsibility levy is gaining ground. This should be elaborated and vigorously pursued. May I suggest how it could work for wheat?

The Commission should fix a quantum (quota is still a dirty word) for the whole Community and guarantee a price for this amount which reflects the rise in cost of inputs and gives a fair return to the farmer. The surplus over and above this quantum will not rank for intervention, but, if sold into intervention, will be paid for at world prices. The final figure paid out to farmers will reflect the amount of the surplus and the price received for it. The quantum will, in the first instance, be at the level of production of the 1980 harvest. It will be reduced annually by 24 per cent until the world price of wheat rises to within 20 per cent of the guaranteed price, or until it reaches a predetermined level. In this way the political pressures inherent in our present method of fixing prices and quantities will be minimized.

The tax payer's contribution will be kept within agreed limits; while farmers, if the harvest is bad and no surplus is produced, will receive a higher price, but if the harvest is good prices will fall.

I hope that Mr Walker will be able to persuade his fellow ministers to accept in principle a solution on these lines.

Yours truly,  
WALSTON, A14 Albany, Piccadilly, W1, February 24.

## Care of ancient buildings

From Captain C. B. Featherstone-Dilke

Sir, Lord Mersey (February 19) is absolutely right. In former times, judging by nineteenth century photographs of this ancient place, ivy was considered an asset—the house sparrows loved it as a nesting place!

I have recently had a blitz here. Not only had the ivy clamped itself onto the mortar of the 14th century walls, but several stones of the main curtain walls had been lifted some three inches by the roots of this insidious weed. They weigh over one hundredweight each.

Yours faithfully,  
C. B. FEATHERSTONE-DILKE, Maxstoke Castle, Colehill, Warwickshire, February 26.

From Mr A. Drew-Edwards

Sir, The letter from Mr Trevor Jukes (February 26) questioning whether ivy damages buildings is interesting. From my experience in the repair and conservation of historic buildings, I have found that ivy on the outside of a wall does not cause damage either to the mortar or to the walling material, but it is a different matter when the roots and stems grow within the thickness of the walling.

In this situation, the increasing size of the stems as years pass can cause considerable damage. In medieval stone walling especially, which is usually constructed of inner and outer faces with an internal filling of rubble, the expansion of the stems will, over the years, distort the masonry and can eventually push the faces apart thus making rebuilding necessary.

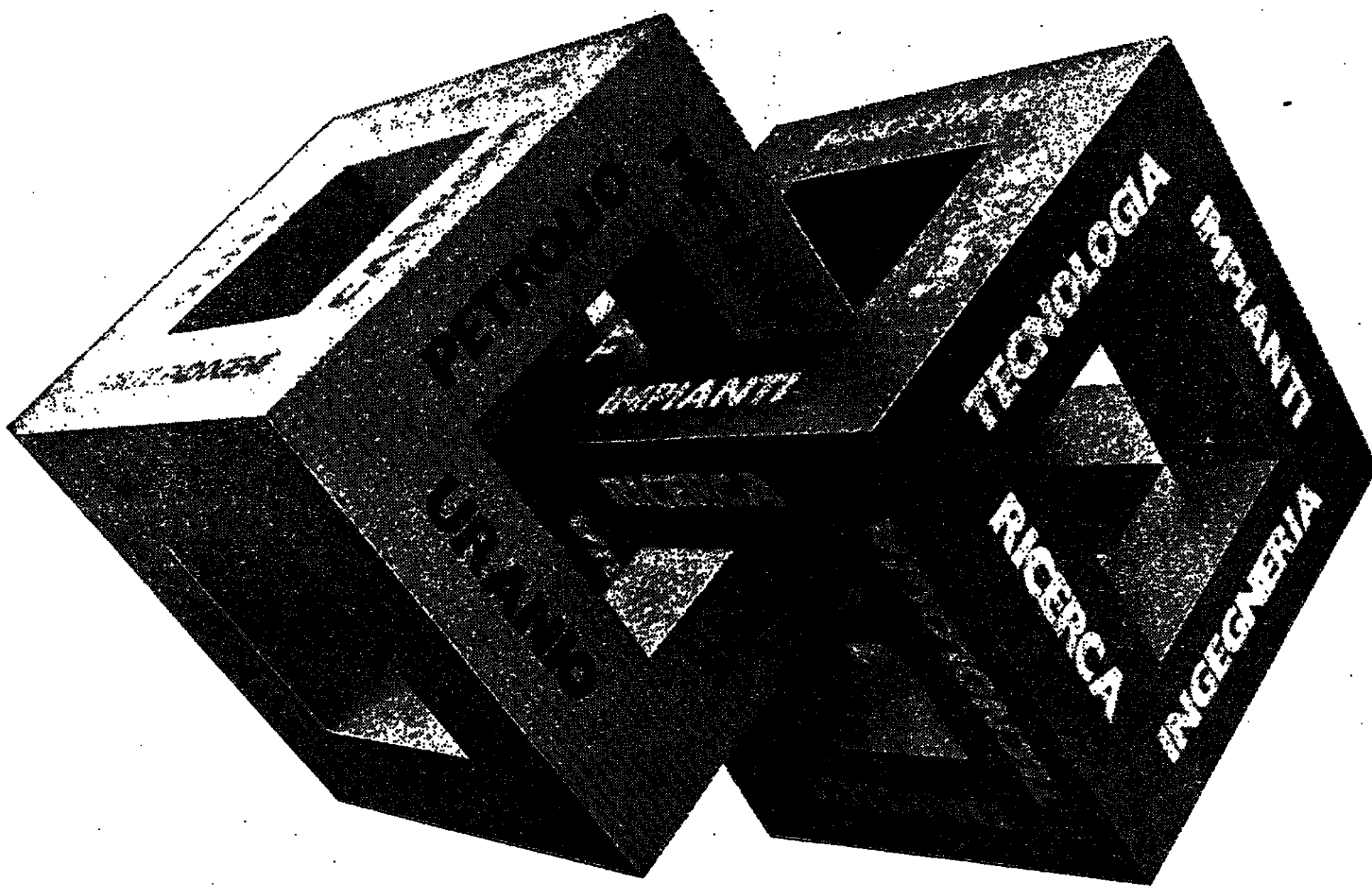
My answer to Mr Jukes will be that ivy is unlikely to cause damage unless the roots or stems enter the masonry when damage is almost certain.

Yours faithfully,  
A. DREW-EDWARDS, Drew-Edwards Keene, 34 Princes Road West, Leicester, February 27.





# Eni



## THE IMPORTANCE OF A COMMITMENT

During 1980 the ENI Group consolidated still further its position among the world's major industrial groups.

On preliminary estimates, turnover during the year amounted to \$US30,000 million.

This result represents the involvement and work of more than one hundred and twenty thousand people and of a production organisation which operates in numerous fields: petroleum, natural gas, engineering, chemicals, mechanical engineering and textiles.

The ENI Group thus represents an important point of reference in the industrial plan, in key sectors of economic development.

The ENI Group is moreover actively involved in the wider area of international co-operation and in the direct dialogue between producer countries and consumer countries, directed towards a policy of interchange for the rational use of resources and technology.

This is the ENI Group in the '80's: a great design of technology and work, an Italian commitment to the world, a positive contribution to international co-operation.



**Agip**  
Prospection, production and supply of liquid and gaseous hydrocarbons, of minerals in general. Refining and distribution of petroleum products.



**Snam**  
Supply, transport, distribution and sale of natural gas. Transport of oil and petroleum products.



**AgipNucleare**  
Prospection and production of uranium ores, nuclear fuel cycle operations, renewable energy sources, energy conservation.



**Samim**  
Exploration, production and marketing of non-ferrous metals.



**Anic**  
Base chemicals and derivatives. Secondary and fine chemicals. Pharmaceuticals.



**Snamprogetti**  
Design and engineering of oil and gas pipelines on land and offshore, petroleum and petrochemical plants, other industrial plants.



**Saipem**  
Drilling and pipelaying on land and offshore, construction of industrial plants.



**NuovoPignone**  
Manufacturing and supplying machinery, equipment, and measuring and control instruments for the petroleum, petrochemical and nuclear industries, looms for the textile industry.



**Savio**  
Production and supply of machinery for the textile industry.



**Lanerossi**  
Textile and garment manufacturing industry.



**Sofid**  
Financing industrial and commercial activities of the ENI group.

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من الأصل



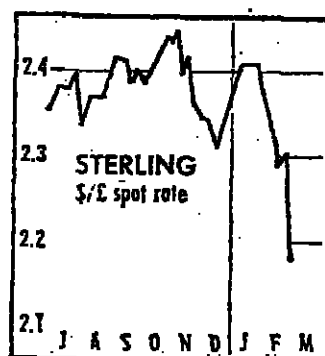
# THE TIMES BUSINESS NEWS

LAING  
make ideas take shape

<b>Stock markets</b>
FT Ind 501.4 down 5.2
FT Gilt 68.97 down 0.15
<b>Sterling</b>
\$2.1805 down 245 pts
DM 2.1495 up 190 pts
<b>Dollar</b>
Index 101.4 up 0.8
DM 2.1495 up 190 pts
<b>Gold</b>
\$465.8 down \$21.7
<b>Money</b>
3 mth sterling 13-12
3 mth Euro \$ 17-16
6 mth Euro \$ 17-17

## Pound down by 2.45 cents to 10-month low against dollar

By Frances Williams  
Far Eastern selling precipitated a further slide in sterling yesterday, prompted by continuing speculation of a substantial cut in minimum lending rate in next week's Budget and pessimism over Britain's economic prospects.



The time London trading opened the pound had fallen to \$2.1655, down 4 cents from Friday's close. But it recovered ground during the day, finishing down 2.45 cents at a 10-month low of \$2.1805.

The pound's fall arose in part from a stronger dollar, which was boosted by firmer Eurodollar interest rates. The dollar closed up 190 pence against the Deutsche Mark, while its effective exchange rate index measured against a basket of currencies rose 0.8 to 101.4.

Gold plunged nearly \$25 to end the day at \$465.8, its lowest since December 1979, in response to the stronger dollar and higher American interest rates.

London foreign exchange dealers took the view that sterling had been oversold abroad on speculation that the minimum lending rate would be cut by 3 per cent or more in the Budget. They believe a 2 per cent cut is more likely, given the Government's continuing commitment to a tight monetary policy and its high borrowing requirement in the second quarter of 1981.

In Eurocurrency markets, three month sterling was trading at just under 13 per cent, below the rates for the Deutsche Mark and French franc as well for the dollar. Nevertheless, the pound was generally steady against Continental currencies. Eurodollar rates rose on the expectation that United States interest rates will remain high in future months, encouraged by worse-than-expected American money supply figures published on Friday.

In German money markets, with trading thin because of pre-Lent holidays, interest rates on call money were up to 20 per cent in the first

minutes of trading. But they eased back to around 20 per cent after the German Federal Bank announced that it would provide the banking system with several thousands of millions of marks in extra liquidity through currency swaps.

The Deutsch mark has been doing well against other currencies in the European Monetary System since the German Federal Bank acted over a week ago to tighten credit and drive up short-term interest rates. But it remains weak against the dollar, which has led to speculation that the Federal Bank may be forced to introduce a more general support package for the mark, perhaps coordinated with a similar package for the Swiss franc.

In domestic money markets the six monthly payment of petroleum revenue tax was largely responsible for an estimated shortage of more than £1,000m in the discount market.

The Bank of England relieved the shortage through exceptionally large purchases of paper and lending at MLR for periods of seven and eight days.

Although the temporary reduction, from 10 to 8 per cent, in the banks' minimum reserve ratios took some of the pressure off the system, overnight money was still very tight, closing at around 25 per cent after briefly touching 50 per cent. With the shortage not expected to unwind before next week, the one week rate traded above 17 per cent.

Financial Editor, page 17

## Government names committee to monitor performance of BSC Laird Group chief heads steel panel

By Peter Hill  
Industrial Editor

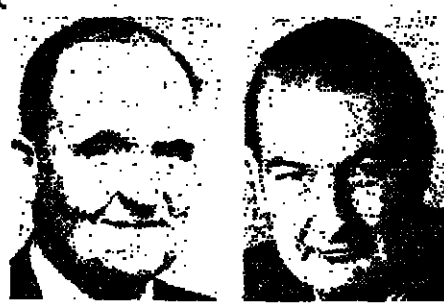
The Government yesterday announced the formation of the committee which will monitor the performance of Mr Ian MacGregor, the chairman of the British Steel Corporation, and will determine how much of the controversial "transfer deal" fee his former employers will receive.

Mr John Gardiner, chief executive of the Laird Group, will be the independent chairman of the committee which will meet to monitor the progress of BSC towards meeting performance objectives.

The success, or otherwise, in meeting those targets will determine how much of the £1,150,000 will be paid to Laird Freres, the American investment bankers Mr MacGregor left to join BSC.

Under the terms of the deal, the Government paid an initial sum of £675,000 for Mr MacGregor's three-year term, with provision for pro rata refunds if he failed to complete the full term.

Two prominent businessmen have been nominated by Mr MacGregor as members of the committee. They are, Viscount Weir, chairman and chief executive of the Weir Group and formerly a non executive director of the BSC, and Mr Albert Frost, a director of British Airways and S. G. Warburg.



Mr John Gardiner, chief executive of the Laird Group, will be the independent chairman of the committee.

Sir Keith Joseph has appointed as his nominees to the committee, Mr John Steele, a deputy secretary at the Department of Industry, who among other responsibilities supervises policy towards the steel industry, and Mr Kenneth Sharp, head of the Government's accountancy services.

The committee members were announced in a Commons written reply by Mr Michael Marshall, junior, industry minister and came after last week's announcement that the Government is to provide BSC with a further £380m over the next 15 months and write off of £3,509m of debt.

Mr Gardiner was a former executive with the now defunct Industrial Reorganisation Corporation and is also a non executive director of British Shipbuilders.

Yesterday Sir Keith and Mr Marshall met a delegation of steel industry union leaders led by Mr William Sims, general secretary of the Iron and Steel Trades Confederation accompanied by members of the private sector trade union action committee. Mr Sims emphasised the difficulties being faced by the private sector companies as a result of the recession.

Among the delegation were representatives from the Llanelli plant of Dupont which is to be closed under an agreement reached with BSC. Dupont steel processing activities will be temporarily taken over by the BSC before forming a part of a new jointly-owned company in the engineering sector.

Mr Donald Evans, one of the representatives from the Llanelli plant gave a warning that when the plant's order book is exhausted in a few weeks time they would seek to prevent the removal of any equipment.

Today representatives from the Llanelli works will press their case during a visit to the EEC Commission in Brussels where a Council of Ministers meeting will be discussing measures to halt the crisis in the steel industry.

## Talks fail on sale of Southern TV studios

By Kenneth Gosling

TV South, the new independent television franchise holder for the South and South-east, said yesterday that it was confident it would be ready to go on the air by next January—even though it will have to build its own studios in Southampton.

Negotiations between itself and the outgoing company, Southern, to take over existing studios broke down after talks lasting two months between the merchant bankers for the companies—Warburgs for Southern, Henry Ansbacher for TV South.

Southern said TV South's offer was "unrealistic and unacceptable". TV South said it was "fair" and reasonable.

Neither would comment on the figures, but one TV South source said the gap between the offer was "unbridgeable". According to Southern's last annual report, the value of the freehold of the studios at Northam was £4.8m and the total book value of the company's assets was £6.8m.

TV South said in its original application that it would attempt to reach agreement with Southern for the acquisition of its principal assets by the end of February.

In spite of the breakdown, Southern said in a statement that it would continue discussions on all operational matters which needed to be resolved, particularly those affecting the company's 500 staff. These had to be resolved before the end of Southern's contract with the Independent Broadcasting Authority.

Southern Television had no comment yesterday on the future of its Northam studios. TV South is understood to have its eye on a site in central Southampton.

Lord Boston of Faversham, chairman of TV South, issued a statement regretting the breakdown of negotiations with Southern and confirmed assurances already given to that company's staff that their future would be secure.

Financial Editor, page 17

## Joint UK venture on defence satellites

British Aerospace and Plessey have agreed to collaborate on the development of communications satellites for defence purposes. The two companies have joined forces as proposals are being considered by the Ministry of Defence to reestablish an independent British military satellite communications network costing £100m.

Although the new system, known as Satcom/Skyview TV, would exchange information through the Nato and United States satellite networks, the project has been designed specifically to accommodate the Trident submarine system and the increasing use of space communications links by the majority of the Royal Navy's vessels.

The collaboration of British Aerospace and Plessey in this field presents a direct challenge to the GEC company, Marconi Space and Defence Systems, which specialises in military and space communications equipment.

## Ban on Japanese TVs

The European Community has approved a French ban on the importation of Japanese colour television sets by way of other European countries. The import quota was filled in 1979 and 1980, but imports of these sets through other European nations quadrupled in those same years from 18,700 to 76,700.

## Industrial training

Some industrial training boards may have outlived their usefulness, Mr Peter Morrison, Secretary of State for Employment, said in Birmingham. Mr Morrison said that industrial training could be far less bureaucratic and cheaper if it were run by industry on its own.

## Refinancing plan

Business confidence in Massey-Ferguson is being tested again as the company tries to sell Can\$200m of government-backed preferred shares. The issue forms part of a complicated Can\$730m refinancing plan designed to rescue Massey from bankruptcy.

## Loan to China

The International Monetary Fund has approved a 12-month standby arrangement for 450 million special drawing rights for China. The loan is in support of China's economic programme.

## Plant to close

Luke and Spencer, of Altrincham, Cheshire, manufacturers of abrasive wheel and grinding machines, is to close in May with the loss of 180 jobs.

## Prime rate cut

Chemical Bank has cut its prime rate to 13 1/2 per cent. Other big banks remain at 15 per cent.

## Wall Street up

The Dow Jones industrial average closed 3.41 points up at 977.99. The S-DJR 121578. The E was 0.558338.

## Fisons lose £16.8m and cut dividend

By Ronald Pullen

Fisons yesterday capped a traumatic period for the group with news that after a £15m loss in the second half, full year pre-tax profits had collapsed from £17.5m to only £3.8m. After a high tax charge and redundancy and closure costs of £11.9m, the group made an overall loss of £16.8m against a profit of £12.1m the year before.

Three years ago the agricultural chemicals and pharmaceuticals company was making over £23m pre-tax and the severity of this year's setback has forced it to cut the final dividend from 9.5p to 3.1p net, saving £3.55m and leaving the total for the year more than a third lower at 10p.

The results came only days after ICI also announced that it lost money in its second half and was taking the almost unprecedented step of cutting its dividend. Many other British chemical companies are expected to announce sharply lower profits for last year, the worst trading period for the industry since the war, and the stockmarket is fearing that dividends are in danger too.

Mr George Burton, the chairman, put much of the blame for the poor results on the recession at home and in Europe and North America, as well as high interest rates.

Overall, sales managed a 3 per cent rise to £454m, but fierce competition has prevented it recouping higher costs through increased selling prices. The strength of sterling is also reckoned to have cut £20m from exports.

The worst affected division was fertilisers, where there was a £4m turnaround to trading



Mr George Burton: high interest rates partly to blame.

losses of £1.1m as farmers and merchants delayed purchases because of the high cost of carrying stocks.

Fisons has announced a big rationalization of its fertilizer division involving the closure of peripheral sites and the sale of 1,100 jobs, a quarter of the division's total. Losses are expected to continue into the first half of this year. All other divisions have also shown reduced trading profits in the year.

Fisons' troubles have been exacerbated by high interest costs which almost doubled interest charges to £12.6m. Tax also rose sharply, from £4.1m to £5m as losses at home could not be offset against profits earned abroad.

Despite the bad news, Fisons shares managed to rally 12p to 340p on the stock market, helped by vague talk that the parlous state of the group could attract a takeover.

Financial Editor and company profits, page 17

## Neepsend closures on the way

By Peter Wilson-Smith

Neepsend, the Sheffield special steels and engineering group, is to close a large part of its operations. The interim dividend has also been passed, after a half year loss—the first in the group's 60-year history.

Mr Stanley Speight, chairman and a former Master Cutler of Sheffield, said in a statement accompanying the results: "In recent years we have been able to continue our activities in the steel industry and have been able to pass on a half year loss—the first in the group's 60-year history."

He said the group had used this breathing space to update plant and improve efficiency but the Government had failed to act on unfair import competition, now taking 50 per cent of the domestic market, and the group's energy costs were as much as 50 per cent more than those of overseas competitors.

"In the light of this situation, your directors are of the opinion that there is no long term future for our traditional position in steel and have decided to terminate many of these activities", he said.

No further details were available but local sources believe that Neepsend intends to close all its steel melting and re-rolling activities which might involve about 500 redundancies.

Since April 1980, there have been 400 redundancies, reducing the group workforce to 1,300. Neepsend lost £1.66m before tax in the six months to September 30 compared with a £810,000 profit in the comparable period. The loss included £100,000 redundancy costs, but there will be more charges, rose from £384,000 to £680,000.

Mr Speight said the main reason for the losses was the fall-off in sales since April. Sales fell from £17.4m to £11.7m.

Financial Editor page 17

## Britain seeks to retain compulsory controls on EEC steel production

From Michael Hornsby  
Brussels, March 2

Britain will tell its European partners tomorrow that it wants compulsory controls on Community steel production to continue because of sluggish demand, unless an effective alternative method of restraint can be agreed.

Britain's view is to be outlined by Mr Norman Tebbit, Minister of State for Industry, over an informal luncheon with his EEC colleagues before a more general discussion on the future of the hard-pressed European steel industry in the afternoon.

The present system of mandatory production limits, which was introduced last October under Article 58 of the European Coal and Steel Community Treaty, is set to expire on June 30 unless renewed by members. The British view is understood to be shared by a majority of member states. Only

Dr Otto Lambsdorff, the West German economics minister, is likely to express outright opposition to any extension of the Article 58 emergency powers.

"We didn't like Article 58 from the beginning and we will continue strongly to oppose it," a West German spokesman said.

The only alternative would appear to be a return to some kind of voluntary system of production quotas by steel manufacturers, but subject to stricter supervision than in the past.

Viscount Etienne Davignon, the normally laconic EEC Commissioner for Industry, has been notably reticent in public about what he thinks should happen after June 30, while managing to leave the clear impression that he would dearly like to be rid of the emergency powers.

Although Britain and West Germany do not see eye to eye on Article 58, they appear otherwise to be in broad agreement on the strategy that

should be followed during the next phase of restructuring of the steel industry.

Both would like to see a firm timetable set for the elimination of all state aid to the steel sector — Britain has suggested the end of 1983 — and would like EEC members to commit themselves to a coordinated programme of capacity reduction.

Britain also has the support of the West Germans in arguing that all new investment in the steel industry likely to lead to an increase in production capacity should be banned. This is broadly in line with the thinking of the European Commission.

Italy and Belgium are among the countries expected to have difficulty in agreeing to capacity reduction. The Belgians have a special problem in that investment in new continuous-casting plant was part of the price paid to secure trade union agreement to the recent merger of the country's two main steel-making companies.

## Stockbroking firms amalgamate

By Catherine Gunn

The amalgamation of stockbroking firms — Hedderwick, Stirling Grumbar and Quilter Hilton Goodison was finally announced yesterday afternoon.

The merger will be effective from April 11, the start of Quilter's financial year. Mr Nicholas Goodison, the firm's senior partner and also chairman of the Stock Exchange, said yesterday. The merger is subject to Stock Exchange consent. Hedderwick will cease trading on April 10.

Roughly half Hedderwick's staff of 200 will join Quilter. Eleven of Hedderwick's 22 partners, including Mr Wallis Hunt, its senior partner, will become partners in Quilter. Nine, unnamed, are being invited to become associated members; and two will not be moving across.

Commenting on the merger yesterday, Mr Hunt said: "I am very pleased indeed for the business and the future, but sad that on such occasions there are some you cannot take with you."

Mr Goodison said he was satisfied with the agreement. Some details remain to be settled, notably redundancy terms, and offices. Two separate offices will be maintained for the moment.

The merger adds another £300m worth of private client portfolios to Quilter's established private client business, giving it a total value of approximately £750m. Mr Goodison said it would also benefit the firm's specialist services to institutions, and its European securities and corporate finance operations.

But Hedderwick's gilt-edged department will be wound up. Hedderwick's will now be wound up, releasing the partners' capital. The new partners will bring their capital with them.

They are: Mr Hunt, Mr Robin Althaus, Mr John Booth, Mr John Byrom, Mr William Callingham, Mr Ian Calvo, Mr Christopher Currie, Mr Peter Hillier, Mr Peter Kay, Mr Simon Meredith-Hardy and Mr John Welchman.

The merger talks resulted from an informal conversation between Mr Hunt and Mr Richard Elxland, Quilter's managing partner, some months ago. "We are old friends", Mr Hunt said yesterday.

The formal discussions took place on Thursday and Friday last week before the agreement was concluded.

## PRICE CHANGES

<b>Rises</b>				
Euro Ferries	7p to 157p	MT Holdings	28p to 338p	
Flota	15p to 140p	Mercantile Hse	10p to 625p	
Global Nat Res	35p to 475p	Ranger Oil	45p to 700p	
Grippex	8p to 136p	Sainsbury J	7p to 345p	
<b>Falls</b>				
Anglo Am Corp	26p to 336p	SA Land	37p to 247p	
Bracken Mines	12p to 155p	UC Luvest	66p to 465p	
Lloyds Bank	18p to 318p	Vakfontein	35p to 215p	
Minicorp	23p to 610p	W Rands Cons	22p to 158p	
Nat Westminster	17p to 363p	Western Areas	19p to 263p	

## THE POUND

	Bank buys	Bank sells	Bank buys	Bank sells
Australia \$	1.94	1.96	Norway Kr	12.50
Austria Sch	34.70	32.50	Portugal Esc	126.00
Belgium Fr	80.75	76.75	South Africa Rd	2.05
Canada \$	2.65	2.59	Spain Ptas	193.00
Denmark Kr	15.22	14.42	Sweden Kr	10.57
Finland Mk	9.40	8.90	Switzerland Fr	4.50
France Fr	11.35	10.85	USA \$	2.16
Germany DM	4.85	4.61	Yugoslavia Dnr	83.00
Greece Dr	116.00	110.00		
Hong Kong \$	12.05	11.45		
Ireland Pt	1.32	1.26		
Italy Lit	2380.00	2250.00		
Netherlands Gld	405.00	459.00		
Norway Kr	12.50	11.85		
Portugal Esc	126.00	120.00		
South Africa Rd	2.05	1.91		
Spain Ptas	193.00	184.00		
Sweden Kr	10.57	10.02		
Switzerland Fr	4.50	4.27		
USA \$	2.16	2.00		
Yugoslavia Dnr	83.00	77.50		

## American airline offers 'three for the price of two' deal to raise cash

## 200 used passenger aircraft wait for buyers

Buy two, get one free. That is the remarkable deal offered by one American airline in an attempt to sell unwanted second-hand aircraft.

There is an unprecedented glut in the market for used planes, and an estimated 200 passenger jets are now parked in remote desert and scrub-land sites round the world awaiting buyers.

The number has quadrupled over the past 12 months and prices have slumped. Competition for buyers—including the Third World and bargain hunters from Europe and the United States—has intensified.

Airlines, most of which are pressed for cash during the present recession, are offering increasingly attractive deals, including leasing-to-buy arrangements on highly favourable terms.

Mr Gianleopoldo de Julio, Alitalia's manager of aircraft leasing and sales, who recently delivered a third DC 8-52 to a South American customer, said that the glut could worsen.

He expects several hundred passenger jets, mainly DC 8s and Boeing 707s, to come on to the market over the next few years.

Many will fall to find buyers and be scrapped, he fears, although he acknowledges that some world plane brokers are hoping that the glut may prove to be only temporary.

British Airways is one of many world carriers which has increased its sales into the second-hand market in recent years.

It is now negotiating the sale of 14 VC-10s to Lanza Caribbean and has two brand new 747s, still with the makers Boeing, on offer. In addition, it

is looking for buyers for five Viscounts and three 707s. A further eight 707s will be sold over the next three years, and British Airways, a BA charter subsidiary, will soon be offering four 707s for sale.

In recent months British Airways has sold six Viscounts to British Air Ferries and two 747s to TWA. The disposal of undelivered 747s has been prompted by the airline's need to make economies.

Two factors have been important in creating the present saturated market. First is the tremendous pressure to retire fuel-inefficient planes such as the 707 and DC-8, which because of rising energy costs have become old before their time, in effect.

Second is the introduction of new noise pollution regulations. These means that several hundred planes, in the 707 and DC-8 ranges primarily will either have to be scrapped or re-engineered if they are to be allowed to use European and American airports after 1985.

The other option, to which airlines will be turning over the next couple of years, is to try to lease or sell them at knock-down prices.

A 707 in good condition can be picked up for \$1m or less, while British Airways could possibly be tempted by an offer of as little as £50,000 for one of its 10 to 20-year-old Viscounts—although a similar model in top condition might cost up to £130,000.

John Huxley

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## Hongkong's reexports top £251m

Hongkong's vital reexport trade soared to a record HK\$3,000m (£251m) last year, an increase of 50 per cent over 1979. China has become the number one market for Hongkong reexports and the number one source of reexports abroad via Hongkong.

Reexports to China rose from HK\$1,310m in 1979 to HK\$4,640m (an increase of 253 per cent) and its own exports via Hongkong from HK\$5,660m to HK\$8,390m, a 48 per cent increase.

The boom is a further indication of the importance of Hongkong to China and enhances the growing cooperation to mutual advantage between China and its former "colonial" neighbour.

**US car sales**  
With showrooms brimming with unsold cars, United States manufacturers are cutting their first quarter production schedules again in an attempt to reduce stocks. Hopes are that inventories will be reduced to a point that even if sales nose-dive after new rebates programmes again in mid-March, dealers will have room for cars assembled in March.

**Swiss liquidity**  
Following the Swiss National Bank's latest discount and Lombard rate increases, banking liquidity in Switzerland rose strongly towards the end of February, and banking industry sources said the approach of the monthly settlement date appeared to outweigh other factors in influencing the activity.

**Syria trade expands**  
Despite strong relations with the Soviet Union, Syria has been expanding its economic ties with the West. Dozens of European companies are involved in projects in Syria, and officials there are hoping that the volume of trade with the west will continue to expand.

**Belgian deficit**  
M. Marc Eyskens, Belgian finance minister, said that the public sector's financing needs this year were likely to climb to 8,000,000,000 (£8.9m). Much of this would have to be met by foreign borrowings, and this would put further strains on Belgium's deteriorating balance of payments.

**Shorter shifts at VW**  
Volkswagenwerk the West German car maker, said that it was planning to introduce shorter shifts at its transmission plant in Kassel, sometime in April. A spokesman said plans were to cut back work for about a week.

**S Korea jobless**  
South Korea's unemployment rate averaged 5.2 per cent in 1980, the second lowest level since 1967, when it stood at 6.2 per cent, the national bureau statistics said, the number of jobless was 749,000 for 1980, up from 542,000 in the previous year.

**\$6,700m budget**  
China's budget deficit exceeded \$6,700m (£3,040m) in 1980, the magazine Peking Review said. The Government's original estimate was for a deficit of \$5,300m.

**Citroën lay-offs**  
Peugeot's subsidiary Automobiles Citroën said that it plans an average two days of lay-offs at all its factories in March, affecting about 30,000 of its 54,000 workforce.

Incomes Data Services looks at public and private organizations

## Defining changes in managers' pay

Incomes Data Services (IDS), the researchers specializing in pay and conditions of employment, yesterday launched a new service for those needing to pinpoint changes in management pay which IDS describes as "a jumble of contradictory information".

The first monthly report from IDS's new Pay Unit attacks suggestions that directors' salaries have risen nearly 40 per cent—while also letting in some light on top people's salaries at the Post Office, the National Coal Board and 13 organizations in both private and public sectors.

Average annual salary increases for directors are probably less than 20 per cent in most cases, according to the review. It dismisses as "far from conclusive" an analysis in a BBC Money Programme suggesting that increases in chairman's and chief executives' salaries had been 39.9 per cent.

The BBC's sample of 50 top companies was small and selective, argues the review. It was based on data from annual reports and reflected total remuneration, including bonus payments, rather than just

salaries. Given the sources, with reporting time lags, the aggregate levels reported in 1980 would have reflected rises in 1979 when pay was recovering from a period of pay restraint.

Two more recent and extensive surveys suggested the IDS conclusion about the level of average salary increases. One—by Charterhouse—reported a median increase of 13.6 per cent.

But the review added: "Although good information is available on the levels of directors' pay, percentage increase figures are frequently suspect." There are many critical variables determining salaries, including types of directorship, the industry involved, profitability and especially the size of company.

The review's initial researches have thrown up more than 60 sources of information on salaries and benefits as well as information from government and other public sector areas. The data has proved of astonishing diversity, much of it suspect and non-comparable and in need of qualification, according to Mr. Mart Layton, the review's managing editor who is also a director of IDS.

The review at first will be able to do only limited original research of its own, although analyses based on job advertising is a possibility. But a start has been made on tracking changes in management salaries at individual companies on which there are reports. These showed that in a number of cases managers received salary increases in line with shop floor rises. It is too early yet to see a pattern on such trends, Mr. Layton said. At the Post Office the end of last year, for instance, the top management band had a 15.1 per cent rise compared with an arbitration award for other levels of between 20.6 per cent and 23.6 per cent. At the National Coal Board, however, managers received almost the same rises as the miners after the January settlement—3.73 per cent on salary scales and 13.2 per cent on bonus payments. But there had been downward pressure on management salaries previously, the review points out.

Top Pay Review, monthly by Incomes Data Services; 145 annual subscription.

Derek Harris

## CEGB threat to halt coal supplies deal

By Our Energy Correspondent

Talks aimed at reducing the Central Electricity Generating Board's coal imports next year have started with the National Coal Board, Sir Derek Ezra, the NCB chairman, said yesterday.

The CEGB has given a warning that it would end its agreement to take 75 million tonnes from the NCB annually over five years if it were effectively prevented from importing coal.

Its imports next year are expected to fall from 51 million tonnes to 31 million tonnes as a contract for deliveries from the United States ends, but the CEGB is keen to maintain its contract for coal from Australia.

But Sir Derek told the Coal Industry Society that he hoped that with the support of government and the electricity authorities it would be possible to switch gradually from imports to home-produced supplies.

Reduction of imports of

nearly 8 million tonnes in total is one of the main demands of the National Union of Mine-workers to reduce the financial pressure on the coal industry and to prevent a programme of accelerated pit closures.

Miners threatened to call a strike ballot and some areas took unofficial action after the coal board introduced a programme of 23 pit closures last month to ease the effects of the recession.

This plan was withdrawn as the Government indicated that it was prepared to ease the conditions on the industry imposed by cash limits and the 1980 Coal Act.

Sir Derek said yesterday that he was pleased the Government had recognized the need for a change in the board's financial base to create the conditions for future expansion.

With Government approval the board had set up a working party with the unions.

## MPs to question BL chief on cash plans

By Edward Townsend

Sir Michael Edwards, chairman of BL, is to appear before a Commons committee on Thursday to explain the company's financial plans. The hearing will take place two weeks ahead of the company's expected announcement of a £400m loss for 1980.

The all-party industry and trade committee will question Sir Michael on BL's four-year corporate plan which is being financed for the first two years with £990m of public money.

The BL board has said already that a further £150m will be needed to fund developments in 1983 and 1984 and MPs will want to know from Sir Michael whether he expects this sum to come from government or private sector sources.

BL's results for 1980 are expected to be disclosed on March 20. The losses follow a deficit of £122.2m in 1979 and a profit of £17m in 1978. BL

has told the Government that it expects to break even in 1983 and become profitable the following year.

Sir Kenneth Joseph, Secretary of State for Industry, told the committee two weeks ago that the Government was "appalled" at the cost to the taxpayer of funding BL. It was hoped that the company would raise future finance from depreciation, profits, the private sector and from collaboration deals with other motor companies.

He considered that questions relating to BL's management and future marketing plans should be addressed to Sir Michael.

The chairman probably will tell MPs that the company's financial estimates for last year were disrupted by the continuing high sterling exchange rate, which had hit export sales, and by high interest rates. The latter are thought to have cost BL about £100m last year.

### Technology News

## Europe protest over spacecraft cancellation

The European Space Agency (ESA) has protested against the United States National Aeronautics and Space Administration (NASA) at the decision to cancel an American spacecraft which was to have formed part of a collaborative two-spacecraft project.

Planned launch date for the project, known as the International Solar Polar Mission (ISPM) was 1985. Cancellation of the satellite was attributed by NASA officials last week to severe spending cuts imposed on NASA in the preparation of the Reagan Administration's federal budget.

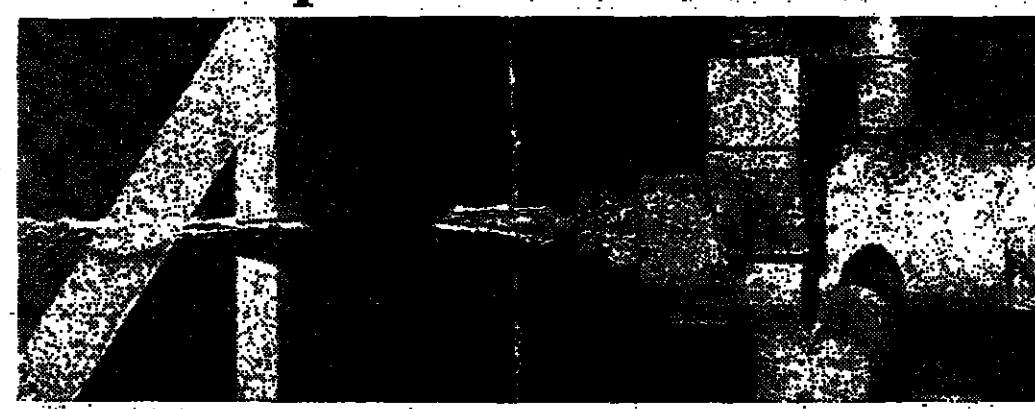
At a joint meeting, officials of the European agency protested that the cancellation, which was made without consultation, was a unilateral breach of the Memorandum of Understanding between the two agencies. The cancellation was therefore unacceptable to ESA, which requested full restoration of the programme to its original level.

Unilateral actions of this kind, ESA stressed, would be detrimental to future space co-operation between Europe and the United States.

As a result of the cancellation, European scientists from about 17 research institutes who were supplying experiments for the NASA spacecraft would be unable to fly them. The experiments were already in an advanced stage of development; more than half the total costs had been committed and so would be lost without corresponding scientific return.

ESA's board of management resolved to take "immediate and strong action". This included asking all ESA member states to protest against the decision through their ambassadors in Washington. The agency is now awaiting the outcome of this.

The second satellite in the project is being built by a European industrial consortium led by Dornier of West Germany. The aim of the coordinated flights is that the two craft should obtain complementary scientific information about the sun.



Cutting through 13mm steel plate with an abrasive-carrying water jet at Cranfield.

pean industrial consortium led by Dornier of West Germany. The aim of the coordinated flights is that the two craft should obtain complementary scientific information about the sun.

**Steel cutting in emergencies**  
Significant advances in water-jet cutting and cleaning technology have been disclosed in the annual report of the British Hydromechanics Research Association (BHRA) at Cranfield. These include the development of an emergency jet-cutting system for North Sea oil and gas production platforms.

This project is being carried out by BHRA for British Petroleum. The aim was to design a system which could be used to gain access to closed areas on platforms in an emergency, and which would also allow debris to assist in its removal.

This steel-cutting system will form part of the standard equipment on board an emergency support vessel. The technique which BERA

is applying for this task has been developed with support from the National Research Development Corporation. It involves the mixing of cheap abrasives in water jet which can then be used to cut hard materials at pressures which are not excessive.

Using this method, 13mm (about half an inch) thick mild steel plate has been cut at speeds greater than 100mm per minute, at a pressure of 890 bar. Tests have indicated that a 50 per cent increase in pressure should enable twice the thickness of material to be cut, assuming a fixed rate of traverse.

To reduce the risk of the abrasive particles generating sparks during the cutting process, the abrasive is supplied to the cutting head already thoroughly wetted in the form of a slurry. The operation of the head has been checked in explosive atmospheres of hydrogen/air and methane/air in a recent series of trials.

As well as steel, these trials included cutting tests on a sandstone known to produce dangerous sparks when cut by conventional mechanical means.

No ignition of the gas occurred during cutting with the abrasive water jet.

**Carbon fibres for Airbus**  
A demonstration Airbus Industrie A300 aircraft is now flying with a rudder made of carbon fibre reinforced plastic (CFRP) in place of the standard alloy structure. Measuring over eight metres long and two metres wide, the new rudder is the largest single carbon-fibre element undergoing trials on the aircraft at present.

Its weight-saving over the conventional metal rudder is 45kg or about 20 per cent. Performance of the unit is being studied in a programme of flight tests, and a second composite rudder is expected to begin in-service testing on a Lufthansa A300 next month.

The use of such elements is part of a weight-saving programme on A310 and A300 Airbus aircraft aimed at achieving a higher payload.

Kenneth Owen

## French-style loan plan urged for small firms

By Peter Hill

The Government is being urged to consider deploying a loan scheme directed at small businesses based on a highly successful scheme developed in France.

Sir Keith Joseph and other ministers have been asked to consider introducing the scheme as the major feature of its attempts to stimulate small business investment and growth.

A number of other EEC countries are considering similar schemes and consideration of a similar venture is being studied by the Reagan Administration in the United States.

The French scheme is designed to provide assistance to industrial and commercial companies whose annual turnover does not exceed £50m and which employ up to 500 workers. Loans are awarded through Credit National with a minimum life of 15 years and a maximum of 20.

The scheme is directed especially at developing new products, markets, techniques and the provision of new jobs in areas of high unemployment. The method used in France is to subordinate the Government loan to bank after all other creditors and thus place it alongside all other shareholders in a company.

There are repayment holidays—of up to five years—and an initially low interest rate.

Sir Charles Villiers, chairman of BSC (Industry), the corpor-

ation's job creation subsidiary, which faces an enormous task in promoting the attraction of new industries to areas where businesses have been driven out, said yesterday that over the last two years the French Government had provided £80m in participative loans through Credit National to companies in the main French industrial areas.

Sir Charles has suggested to ministers that if the scheme was adopted in the United Kingdom it should be described as the subordinated loan scheme with loans being issued by the Scottish and Welsh Development Agencies, out of their existing financial allocations.

Funding for the assisted areas of England would be made by another agency, possibly the National Enterprise Board.

He said: "The scheme would not require additional financial provision and it would not replace existing grant schemes. The subordinated loan is not intended as a subsidy but as a financial instrument in its own right."

The loan would constitute a cumulative redeemable preference share and it would offer some competition to banks and other City institutions in their growing plans for capital investment in small companies.

Sir Charles has suggested that the use of subordinated loans should be restricted to development areas.

### LETTERS TO THE EDITOR

## The affair of the Lloyd's Bill

From Lord Napier and Ettrick  
Sir, The chairman of Lloyd's, Mr. Peter Green, has recently written to all the underwriting members of Lloyd's, seeking inter alia to include the inclusion of Clause 17 (the legal implications clause) in the Private Bill shortly to be considered by Parliament.

I was a member of the Sasse Syndicate No. 762 at Lloyd's. Mr. Green has publicly admitted that "grave irregularities" had occurred in the affairs of this syndicate, and hence the inclusion of Clause 17 in the Bill. It has been put about in certain sections of the press that this was some kind of rescue operation. It was, of course, nothing of the sort. It was a settlement offered at the instigation of Lloyd's, out of court.

It seems to me that the Lloyd's are now seeking to place themselves above the law. Should this come to pass, then I believe it would be prudent for every name in the Lloyd's to consider his or her own position most carefully with a view to deciding whether they wish to continue as underwriting members of Lloyd's.

It is a fact that without the financial backing of the external names, Lloyd's would cease to function.

I am, etc.  
NAPIER & ETRICK,  
Carron, Edinburgh,  
February 26.

From Mr. David Charlesworth  
Sir, Further to your Business Diary profile of Lloyd's of

London, I write as an ordinary non-working "external" member to record some statistics that might put some current matters in perspective.

The proposal to present the Bill to Parliament, following the Fisher report, was approved at an extraordinary general meeting of all members by 13,219 votes for and 57 against.

The association of which Lady Middleton is chairman represents only some 200 external members, three-quarters of which presumably voted for the Bill in its original form. The majority of the active members of her committee are new members of Lloyd's—in fact the secretary only started underwriting last month. Lloyd's accounts are held open for three years to meet claims, and there is a further delay whilst payments are made and tax matters dealt with—it is therefore five years after election that a member has seen a complete cycle of events.

That Parliament is supreme is surely accepted by all at Lloyd's, but MPs should note that the so-called body representing the external names has only a membership of 1 per cent of such names, and that 99.7 per cent of all members voted for the Bill and that the overwhelming majority of all members support the present chairman of Lloyd's, Mr. Peter Green, and his council.

DAVID CHARLESWORTH,  
4 Shaftesbury Mews,  
Stratford Road,  
London, W6 6QR,  
February 25.

## Gas bill complaints

From Mr. Raymond J. Hill  
Sir, The British Union of Social Workers feels that the decision of the Gas Council to impose existing charges on the users of gas meters is yet another blow against the most vulnerable members of our society, and that this is another example of Government interference in the running of nationalised industries specifically designed to kill off those who are likely to make demands upon other services.

The imposition of this charge could mean the difference between the elderly on a fixed income being able to afford adequate heating and death from hypothermia.

We in the British Union of Social Workers feel that we must protest against this short-sighted action.

Yours faithfully,  
RAYMOND J. HILL,  
General Secretary,  
British Union of Social Workers,  
5 Sydney Road,  
Haringey,  
London, N8,  
February 19.

From Mr. J. W. Richards  
Sir, The "robbery" of the gas standing charge referred to by your correspondents, and the

anomaly which enables it to be a coin-meter, pales into insignificance beside the extortion practised by the British Gas Corporation in applying their charges for certain domestic premises.

I am one of a cooperative of six flat owners whose annual gas bill is of the order of £2,000 a year.

Charges to us are made at the commercial rate of 26.1p per therm. A complaint to North Thames Gas that we should be charged at the domestic rate (24.6p for the first 52 therms and 21.2p thereafter) elicited this reply:

"...the British Gas Corporation specify that the gas supplied to the Domestic Rate (Domestic) may be used only in a private residence not subdivided into separately occupied parts, and your premises do not qualify for this tariff."

A formal request to the chairman of the British Gas Corporation for an explanation of this irrational and inequitable ruling remains unanswered.

J. W. RICHARDS,  
17 Palace Gate,  
London, W8,  
February 22.

## Looking back in amazement

From Mr. R. Williams  
Sir, The debate continues on how the revenues from North Sea oil should be spent to the best advantage—let us hope that a sensible and acceptable solution is soon reached.

Meanwhile, I suggest that posterity will look back on this period in our history with amazement and disbelief—disbelief that the Government have failed to utilize this fantastic piece of good fortune for the benefit of our own people and our industry, by accepting a lower level of taxation on oil

and gas for United Kingdom consumption and passing on the immense benefits of lower prices to the inhabitants of these islands, as the Americans have done for decades.

Not only would we now be enjoying a considerably lower level of inflation, but our industry would be in much better shape, and much more competitive as a result of lower costs and lower prices.

REG WILLIAMS,  
Preston,  
North Road West,  
Hythe,  
Kent, BR2 0PL,  
February 16.

## Wealth and unity

From Mr. B. Barker  
Sir, This Institute is a good example of the professional institutions in which the chairman, Sir Kenneth Joseph, referred (February 20) in his appeal for a closer understanding between the public and private sectors of the economy based on their interdependence.

Seventy per cent of chartered secretaries work in the private sector and thirty per cent in the public. At our branch meetings and conferences the health service administrator rubs shoulders with the company secretary and the electricity board administrator with his opposite number in the industrial company which is his customer. This is one of the many advantages of being professionally qualified.

In 1980 our qualification was recognized by the Companies Act as being appropriate for the secretary of a public limited company; in 1981 we are being recognized as providing the appropriate qualification for administration in local government.

We firmly support Mr. Wedgwood in his view that bridges need to be built and maintained between the sectors. Why should we be so concerned about ownership? What matters is cost effective performance leading to the creation of wealth and jobs. Envious sniping of one at the other can only distract and damage.

At any rate, chartered secretaries are the same wherever they are employed—and so are other professional people.

We accept the aims which Mr. Wedgwood has described and the responsibility which follows from that acceptance.

Yours faithfully,  
B. BARKER,  
Secretary and Chief Executive,  
The Institute of Chartered Secretaries and Administrators,  
16 Park Crescent, London, W1K.

## THE UNITED STATES AND GENERAL TRUST CORPORATION, LIMITED

The Ninety-first Annual General Meeting of the United States and General Trust Corporation Limited will be held on March 26th in London.

The following is comment by the Chairman, Mr. C. K. R. Nunneley, included in the Report of the Directors which has been circulated to shareholders:

The retirement of Bill Marton on 31st December, 1980, after four years as Chairman, leaves a gap which will indeed be difficult to fill. His knowledge, charm and courtesy have been of the greatest value to his colleagues and we will all miss him very much.

His final year was a profitable one for the company's shareholders—remarkably so in the circumstances of a world economy. Against a background of deepening recession, worsening unemployment, spiralling interest rates and high inflation, investors appear to have decided that equity investment offered the best hope of maintaining real value. Among the stockmarkets of any size, only that of Belgium failed to show a positive overall return in local currency terms. For UK investors, however, the strength of sterling reduced returns from all overseas markets except Japan and, in particular, made investment in Continental Europe generally unattractive. In these circumstances your Board have continued to invest the bulk of the company's assets in the UK and the rise of 3.9 per cent in net asset value per share compared favourably with the major indices: the FT Actuaries All Share Index rose by 27.1 per cent, while the Standard and Poor's Composite Index in the USA and the Tokyo New Stock Exchange Index in Japan each rose by 17.0 per cent in sterling terms.

The decision by the Chancellor of the Exchequer to exempt investment trust companies wholly from corporation tax on capital gains from 1st April, 1980, was welcome. By encouraging more active investment policies, and by making the shares more attractive to tax-free institutions, it has been one of the forces behind the reduction of the average discount on investment trust asset values from 33 per cent to 23 per cent during 1980; this improvement was reflected in the price of the Company's ordinary shares.

Growth of income has been better than expected. Excluding from the 1979 figures the large non-recurring dividends which were passed on to shareholders as a special payment of 1.50p per share in November 1979, net revenue available for ordinary shareholders rose by almost 19 per cent in 1980. This enabled your Board to recommend a final dividend of 6.50p per share, making 10.50p for the year, which is slightly greater than the total amount of 10.29p per share received by shareholders in 1979, including the special payment, and an increase of 22 per cent in the normal dividend.

The prospect for an increased income in 1981 cannot be said to be encouraging, particularly in the UK, and any change in our investment policy aimed at raising the overseas percentage of the portfolio could reduce the overall yield. However, your Board see no reason at present why the current dividend should not be maintained.

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BY THE FINANCIAL EDITOR

## Can Fisons shape its own destiny?

Fisons' old strategy of using the fertilizer and scientific equipment divisions as cash generators for pharmaceutical and agrochemical expansion is in tatters. Not for the first time in the past fifteen years the group is groping for a new corporate direction. Even the agrochemical link-up with Boots smacks of mortgaging the heavy research and development spending here.

In its present straitened circumstances Fisons is having to take a much closer look at itself. It is now trying its damndest to convince the City that outside the tripartite evils of sterling, interest rates and the recession, which have undoubtedly dogged it over the past two years, it can still do something to shape its own destiny.

So the emphasis is being put on the recovery programme, moves away from the high break-even commodity cycle into higher margin specialty products, joint ventures in horticulture and rationalization in fertilizers. Even in pharmaceuticals Fisons is now pointing to the inherent growth prospects for Intal after the shock of the recent loss of its promising new Proxicromil drug.

Fisons was also doing its level best yesterday to put a brave face on the much worse than expected collapse in pretax profits with the £1.5m second half loss pulling them down from £17.3m to a meagre £3.8m.

After their recent vertiginous fall, the shares—a thin and difficult market at the best of times—gained 12p to 240p on relief that the company's heart is still beating, that the final dividend has been only cut from 13.7p to 4.4p gross and not passed altogether and the vague takeover rumours, although few can see what a bidder would now find attractive.

Apart from pharmaceuticals, where trading profits were almost level pegging despite a £2m currency loss and squeezed margins, all divisions had a terrible second half. Tough competition also hit agrochemicals although the specialty products like Nortron fared better.

The £4m turnaround to trading losses of £1.1m explains the urgent surgery taken in fertilizers although as in horticulture its problems were exacerbated by the absence of the usual seasonal pick up in demand as the interest rates hurt farmers and distributors.

And in scientific equipment the cutback in public spending meant an even worse second than first half. The upshot was a 31 per cent fall in trading profits to £16.4m and with the unusual debt profile almost doubling interest charges to £12.6m, higher tax as profits overseas could not be offset and £11.8m of extraordinary losses from the fertilizer closures the attributable loss was a thumping £16.8m, and the current cost pre-tax loss around £12m.

All the same Fisons still seems remarkably relaxed about its balance sheet with last year's cash outflow, thanks to the £8m or so from Boots and tight control of working capital, only £2.6m.

At this stage it is impossible to say how gearing will look since it is not known how the agrochemicals business, with its hefty debt burden, will be treated in the balance sheet. The cash outflow from the redundancies will be another £8m this year but the group seems confident this will be offset by operating savings. Cash conservation will hamper Fisons for at least the next year and in the meantime a 9.3 per cent yield is not enough to outweigh all the uncertainties.

### Royal Insurance

#### Better than forecast

Beating its December rights issue forecast Royal Insurance has turned in full-year pretax profits down less than 7 per cent to £122.5m. That compares favourably with the 25 per cent setback reported by Commercial Union last week and reflects Royal's more cautious stance in the face of increasing competition.

But after a fourth quarter in which profits plunged almost 25 per cent to just over £30m Royal is still starting into an underwriting abyss in most territories. Losses widened from £15m to £24m in Canada and from £4m to £8.5m in Australia to outstrip investment income in both those territories.

And as in the United States where Royal has fared better than average with an underwriting deficit almost doubling to £16m on a relatively low operating ratio of 102.4 per cent, the group sees only worsen-

ing conditions for the majority of the current year.

All of which, at first glance, holds out little hope of better things to come for loyal shareholders who stumped up £116m for new capital in December, to enable Royal to get back on an expansionary tack after several years of virtually static premium inflow.

But Royal with the new cash tucked away in short and medium-dated gilts and a solvency ratio up 151 points at 62.5 per cent—partly as a result of its hitherto cautious stance on new business—is taking a noticeably cautious line on expansion.

The knowledge that Royal is not going to do anything rash in its attempts to rebuild market share might perversely put it in the van of any further composite rally on hopes of a significant underwriting recovery in 1982. With cash in the bank Royal can clearly choose when to attack if it sniffs recovery.

The worry of course is that recovery could still be many moons away particularly in the United States where a buoyant equity market is keeping the competition raging.

Roosted by the rights funds and a stronger dollar Royal could push profits up to between £125m and £130m this time but this would leave little scope for a further significant dividend increase. Last time's 11.6 per cent increase leaves the payment under twice covered, and the shares unchanged at 388p to yield 8.8 per cent are well up with recovery hopes.

### Special steel Another casualty

Steel-making in Sheffield has been declining for years, and inevitably the recession has speeded up the process.

Johnson & Firth Brown and Aurora have recently announced large cutbacks; Neepsend seems likely to withdraw completely from steel melting and re-rolling.

Unfortunately it expanded its steel activities in the late 1970s and has apparently subsidised this side of the business for some time from its more profitable activities.

Some of Neepsend's plant was none too modern and it has looked increasingly out of a limb ever since Aurora emerged as the dominant force in high speed and tool steels—a fiercely competitive sector anyway because of the incessant flow of low-cost imports which have steadily taken a larger share of the United Kingdom's market.

Neepsend's steel activities are the main culprits behind the turnaround from pretax profits of £810,000 to losses of £1.6m in the six months to September 30—the result of high fixed overheads combined with the dramatic loss of volume which is indicated by the one-third drop in group sales to £11.7m.

Withdrawal from steel-making would leave Neepsend free to concentrate on more profitable activities such as ferro-alloys—although the drop in molybdenum prices has probably meant poorer results here, too—and its castings and toolmaking activities.

With dollar interest rates turning firmer, partly on disappointment with last week's US money supply figures, the US currency had a good day on foreign exchanges yesterday.

In part, it was the dollar's general strength that lay behind the further fall in sterling—down to \$2.1655 at one stage. But that was not, of course, the whole explanation: sterling continues to have a large question-mark hanging over it ahead of the Budget.

Meanwhile, the shortage in the discount markets was estimated in some quarters to have topped £1,000m, largely reflecting the payment of Petroleum Revenue Tax. For only the second time since last November's change of approach in money market tactics, the Bank of England found itself relieving the shortage by means other than buying in paper.

Very large sums of money were lent to the houses at MLR for periods of seven and eight days. The temporary reduction in the banks' minimum reserve asset ratio clearly prevented a total seizure in the inter-bank market. Even so, the overnight rate still touched 50 per cent at one point and one-week money was trading above 17 per cent.

All governments have had patches during each Parliament, usually somewhere about mid-term. If there was at present any kind of coherent Opposition, this Government's present bad patch would be very bad indeed.

As it is, it will take an uncharacteristically raising performance by the Chancellor in his Budget speech next Tuesday to convince the nation that all is well and that we are still firmly on the track of a coherent medium-term financial strategy.

The question, however, that presses forward and gets no convincing answer is how can it be that what has come to pass is a surprise to the Government. After all, all the main elements could have been and indeed were predicted by those outside the corridors of power. This is not the usual game of being wiser after the event. There is sufficient chatter and verse of published material and forecasts to see on the charge.

Item: the argument, in favour of reducing the previous swingeing marginal rates of personal income tax were overwhelmingly strong, but how could anyone actually believe that the cuts made in the 1979 Budget would have a measurable effect on the productivity

and growth rate of the British economy within the short time-scale of a year or two?

Item: how could anybody have based a central part of the Budget and public spending plans on the assumption that nationalized industries as a whole could be moved from deficit into surplus by a financing improvement of £2,300m between 1980 and 1983, when it is clear that the capital investment programmes of so many of the nationalized industries need to rise?

Item: how was it possible to accept commitments to higher pay for the armed forces, the police and the firemen and accept the workings of the Clegg commission in principle without realizing that there would be a public sector pay explosion in the figures that emerged during 1980?

Item: how was it possible that anyone could convince themselves that in the context of a complex and sophisticated economy and financial system, all would come right with a lag of, say, eighteen months to two years simply by locking the economy on to a single auto-pilot called sterling M3?

Item: in the light of 20 years of experience with the present system of

public expenditure control and after four years of continual public spending reduction exercises, how could anyone believe that it was only a matter of political will to reduce the inherent upward pressures for more spending, especially in an administration that was committed to substantial real increases from the start for the armed forces and for law and order services?

The catalogue above is depressing precisely because when Mrs Thatcher came to No 10, whatever one might have thought of particular elements of her policy, she held out the promise that she was going to break and then reverse the defeated and defeatist trend of British public affairs throughout the postwar period.

With the miners, British Leyland, British Steel, a 6 per cent pay norm for the public sector, public spending still rising, the borrowing requirement running 60 p.p.c. over forecast, and unemployment rising faster than inflation is coming down, the script at mid-term has an uncomfortably familiar ring.

In looking for an answer to the question why this Government has done other before it, appears genuinely

surprised when they find themselves into a well marked brick wall, one given to the uncomfortable conclusion that the fault must lie somewhere in the heart of our system of government.

Whatever the good intentions of an incoming government, once a power the machine smoothes any attempt to generate strategic thinking. It is no part of the official machine's function to say: "Look, we know you are committed to Clegg, but unless you get on of it now you will have real trouble in a year's time." That is a political function that must be exercised close to the Prime Minister.

Equally, a strategic political plan for a government needs to recognize that the really difficult problems are multi-dimensional and cannot by their nature be solved by one-dimensional solutions. This is not a function that can be performed by a busy departmental minister, or even by a Prime Minister no matter how phenomenally industrious. Every government needs its senior Minister for Avoiding Basic Mistakes. This one seems to need it more than most.

## Will the Budget bring a new redundancy deal?

Margaret Stone

With unemployment predicted to rise to three million by the end of the year, like it or not redundancy is a subject with which more and more of us will have to come to terms. But wait until after the Budget before mulling up on the arcane and complicated rules which govern golden handshakes.

It is widely expected, and hoped, that Sir Geoffrey will announce alterations to the tax treatment of redundancy payment which will eliminate not only the complexity but also the artificiality of the present system. Under the present rules the timing of the handshake is almost more important than the money itself.

How many people faced with the prospect of claiming more than £10,000 in redundancy pay are aware that under the law as it now stands, it is vitally important to have that cheque before the end of the tax year? To retain the same tax advantages on post-April 6 payments the newly redundant would have to consider remaining out of work for the rest of the fiscal year 1981-82.

For any government which is committed to the idea of job mobility, this consequence is as wrong as it is absurd. In August 1979 the Inland Revenue issued a consultative document on "Payments on termination of employment". The Revenue's own recommendations have broadly met with approval from tax consultants who specialize in this field.

The existing arrangements suffer from two important defects. The first is the "top-slicing relief" which allowed designed to prevent an individual paying tax at excessively high marginal rates on the exceptional amount of income received in redundancy year,

can distort the tax picture on any new income received that year.

The other problem is that the original dividing line between compensation for loss of office and ex gratia payments (which are taxed in a different way) has become blurred and a fallow ground for tax avoidance tactics. The need for ex gratia payments, originally designed for those nearing retirement without adequate pension entitlement, is fading.

With a conventional compensation for loss of office payment, the first £10,000 is not subject to tax; with an ex gratia payment, the tongue-twisting standard capital superannuation benefit (SCSB) can come into play to provide the outgoing employee with a tax free lump sum in excess of £10,000.

(The SCSB is based on the last three years' salary, divided by 20, but minus any cash contribution benefits which can be as much as 11 times salary—from the company pension scheme.)

The Revenue believes that there is no good reason for maintaining this distinction, with all the shifts and turns that employees facing redundancy resort to in getting part of their redundancy classified as loss of office and the other part of ex gratia.

But if the distinction is withdrawn it puts an even greater onus on the Revenue to do something about the £10,000 tax free threshold. Although the consultative document did not mention what a new threshold could be, it is clear from the paper that a substantial in-

crease in the £10,000 level coupled with a new method of taxing the outstanding balance would remove most of the inequities of the present arrangement.

Tax-slicing relief on the balance of £10,000 divides the redundancy payment by six; tax is calculated on this sum—plus any income received subsequently, be it investment income from redundancy proceeds or earnings from a new job; the tax due is then multiplied by six. Little or no tax will be paid on redundancy payments up to £22,000—provided that another job is not taken during the remainder of the tax year.

Ironically, people with much bigger handshakes and good tax advisers may at present be better off than the average steelworker. For there is little doubt that taxation of golden handshakes is, in some circles, regarded (like the old estate duty) as a voluntary tax.

A man with a £40,000 pay-off will, with top-slicing, pay very little tax on the balance of £30,000 once his married man's allowance, mortgage interest relief, trading losses, leasing arrangements or first year allowances on a new business have been deducted to arrive at a redundancy sum which is actually subject to tax.

So the most likely outcome in the Budget is that the threshold will be raised to either £15,000 or, optimally, £20,000 and that instead of top-slicing, half the balance will be subject to tax, regardless of years of service. Additionally, a modest sum, say £500, could be added to the threshold for each year of service.

Such a system would be simpler for everyone, taxmen included, to understand; by making timing irrelevant, it would prevent the unsuspecting from falling into the second job trap; and it would reduce the scope for tax avoidance. Once over the threshold everyone would have to pay some tax on their redundancy payments, but on extra income received that financial year tax would no longer have to be paid at the rate of 180 per cent.

## A testing time for shareholders

A long list of blue chip companies—large industrial groups which have become stock market institutions—have now begun reporting their results for the year ending last November and continuing through Courtaulds and Metal Box to Fisons. Profits have either plunged or given away losses, and shareholders are being asked to vote on a cut dividend last Thursday.

The next few months will test the nerves of many shareholders, both institutional and private, as the company reporting season gets into its stride. There is a danger that the damage they are reporting will give the public an impression of industry reeling rather than recovering. That impression would be wrong. It should be remembered that the companies will be reporting on months already past. It is their ability to profit from the future that will count.

The industrial sample used by stockbrokers Phillips & Drew shows that business was still working flat out in the first three months of last year and gross actually rose by 8 per cent.

In the second quarter they slipped by 14 per cent. But in the final three months of last year the annual rate of decline had reached 49 per cent. The year on year decline was 20 per cent.

Naturally this sequence becomes more scrappy as it becomes more recent. Many industrial companies have still to report on their final quarter. But the trend is clear. As the broken points of turnover last year probably rose by 10 per cent, if so, the average pre-tax margin in 1980 narrowed from 7 per cent to 5 per cent.

Clearly profits are in danger of vanishing altogether if trade goes only a little worse, but by the same token they could jump just as strongly if things got better.

But most companies did manage to make profits last year. Imperial Chemical Industries is not a typical industrial group. It is far larger and more diversified than any other chemical concern in the country—companies like Fisons, Laporte and ROC International are specialists by comparison—and the profits of chemical companies swing more wildly than those of industry in general.

Even so some general themes stand out. Industry worked flat out as last year began but after that the drop in demand was the downturn in gross domestic product in the first half year. As it happened stocks were exceptionally high in 1979 when industry deliberately built them up to get tax relief before running them down again. So it was brutal when it came. High interest rates made matters worse.

There are several reasons why company profits should grow this year. If minimum lending rate falls to 11 per cent, interest charges should drop by a third. If, as seems likely, companies wrote off their reorganization and redundancy costs last year profits this year will be scrubbed by their simple omission.

So far industry has shed one in nine workers during the recession. Assuming a cut in labour force of one tenth, Phillips & Drew calculate that "with wage costs about 30 per cent of sales and the average pretax margin in the United Kingdom probably less than 5 per cent, a cutback of this size increases pretax profits by more than 60 per cent."

Exactly when economic activity will start to revive will depend as much as anything on when industry is confident enough to rebuild stocks. Stockbroker Wood, Mackenzie sees destocking tailing away this year and restocking getting under way next. de Zoete & Bevan expects stock building to start again shortly.

The Budget is to come which may cut industrial costs directly through a reduction in national insurance contributions, as well as indirectly through a cut in MLR. And a fall in the pound makes exporting and overseas earnings more profitable.

With inflation still slowing down for several months companies will this year be well placed to restore inflation-adjusted as well as historic or "money" profits. The outlook, then, is for recovery this year and quite possibly a boom in 1982 which is why the stock market is ignoring the worst sounding profits have taken since the end of the last war.

Peter Wainwright

## Business Diary: Hearth and home • Lydian mode

Anybody want some fire-blackened bricks which, put back together, could be described as the fireplace in which started the Great Fire of London?

This is an offer from Rodney Leach, the general manager of Trade Development Bank, due to move from its present City premises in Aldermanbury to new offices being built in Pudding Lane close by the Monument which commemorates the Great Fire.

Pudding Lane is where the Great Fire is thought to have started in 1666. Leach, who both read and taught classics at Oxford, provided not only the permission, but with the City Corporation, the funds for the Monument site to be excavated by the Museum of London.

The problem is that the museum is already check-a-block with treasures from the site, whose Roman, Saxon, Medieval and other finds have been described by dig supervisor Gustaf Milne as "a rich archaeological sequence unparalleled on any other London site."

Leach, classicist though he is, wonders whether as a banker it might be a bit much to erect in TDB's foyer a display which implies "Your whole investment could go up in smoke."

Business Diary, however, Mrs Leach and TDB should say "Re erect and be damned!" at the Monument site, and let the half of the space the bank does not want to the 28 firms in the London commercial telephone directory boasting the name "Phoenix".

For the first time a woman has been appointed to the board of one of Hongkong's leading Hong (leading business firms)—the Swire Group.

She is Lydia Dunn (right), who last year was also the first woman to be appointed to the council of the British-founded Trade Policy Research Centre.

Miss Dunn is the daughter of a former tea merchant in China who became a printer and trader in Hongkong. She is already managing director of Swire and MacLaine, and a director of John Swire—both members of the Swire Group.

She graduated with a degree in business administration from the University of California, Berkeley in 1963.

She set a precedent in 1970 when she was the first woman and the youngest person to become export manager of Swire and MacLaine, the trading arm of the parent company.

Carrefour Hypermarkets claims to have found the Office of Fair Trading being unfair both to traders and to the public. The nub of the complaint is that in a recent leaflet entitled "There's more to credit than just HP," the OFT ignored interest-free credit schemes which Carrefour, among others, operates.

The OFT leaflet attempted to explain the various forms of credit available and to help consumers compare their cost. It described bank credit cards as "top of the pops." Carrefour says its interest-free credit gives the public a much better deal.



The Trade Policy Research Centre sought her out after an attack on developed countries for restricting imports from Hongkong and other developing countries which she made at the International Conference on Trade in Textiles and Clothing in Brussels last May. Miss Dunn is the centre's first

Asian as well as first woman councillor.

As a member of the financial committee of the Legislative Council which governs Hongkong, she is known for her vigorous opinions, particularly that there should be "less rather than more government."

"Civil servants are efficient administrators within the constraints of the public service and they develop a knack of minimizing the influence of those who are avoiding them," she has argued.

"But when they have to manage enterprises on a commercial basis they are caught between civil service regulations and attitudes on the one hand and the dictates of business principles on the other." The result is often unsatisfactory.

Not surprisingly, she is often referred to as "Hongkong's Mrs Thatcher," which, in Hongkong at least, remains a compliment.

Unaccustomed though it is to public publicity, the Japanese government is having a discreet laugh at recent figures from the International Labour Organization.

The ILO, a United Nations body, has found in a recent study that the Japanese now work fewer hours than United Kingdom workers who are always complaining about unfair competition from Japanese workaholics.

In 1979, the ILO found, Japan applauded "Japanese workers put in average of 40.7 hours a week, three hours and 20 minutes less than the Brits

may be as perplexed at being unexpectedly taken over as they are about George Outram, their new owner. It is not a name to conjure with among the press barons, but a part of Tiny Rowland's empire not new to takeover battles.

In 1964 Outram, publisher of the Glasgow Herald and Evening Times, was defended by Lord Fraser of Allender, late father of Sir Hugh Fraser, in a bitter struggle against the first Lord Thomson of Fleet, former owner of The Times.

Lord Fraser won but Outram, until then independent, became a subsidiary of Scottish and Universal Investments (Swiss), which two years ago fell to Lord Fraser.

Outram, the man, who flourished between 1834 and 1854, was the third editor of the Glasgow Herald. He was a lawyer and poet. A portrait of old George hangs in the Glasgow Herald boardroom. In it George is seen in a Napoleonic pose, reinterpreted, in view of recent events by staff as merely reaching for his wallet.

Appropos my recent pieces on visiting cards, Denis MacShane of the International Metalworkers' Federation writes from Geneva to applaud the professionalism of Fritz Hauser, the West German labour attaché in Washington. Hauser's card bears on the reverse side a sentence showing it to be printed by "Union Drucker, the printers of the German Unions, fully organized."

Ross Davies

## You ate more fruit We got healthier

Glass Glover got even healthier last year as consumers ate more up more fresh fruit and vegetables. In the year to 30th September 1980, both fruit and veg sales rose by over 20%.

With a turnover of £57.4 million, Glass Glover is one of the country's largest suppliers of fresh fruit and vegetables, acting as the link between home and overseas producers and the nation's supermarkets and chain stores.

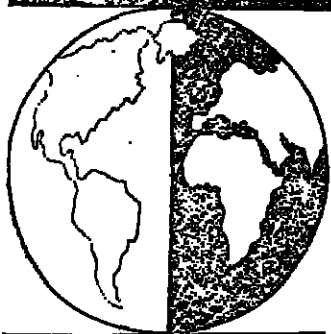
With the latest growing and more important fresh produce, Glass Glover has expanded its share of this growing market each year and has achieved record sales and profits in each of the past five years.

With good quality goods and an efficient distribution system based on a "buy low, sell high" policy, the group expects to become healthier than ever in the current year.

To find out more about the Group's performance and prospects, please write for a copy of our Annual Report to the Secretary, 9 Elmgrove Court, London, WC2E 9JF.

**GLASS GLOVER GROUP**  
Food Distributors and Importers of Fresh Fruit and Vegetables





## Hongkong's reexports top \$251m

Hongkong's vital reexport trade soared to a record HK\$3,000m (£251.6m) last year, an increase of 50 per cent over 1978. China has become the number one market for Hongkong reexports and the number one source of reexports abroad via Hongkong.

Reexports to China rose from HK\$1,310m in 1979 to HK\$4,540m (an increase of 253 per cent) and its own exports via Hongkong from HK\$5,660m to HK\$9,390m, a 48 per cent increase.

The boom is a further indication of the importance of Hongkong to China and enhances the growing cooperation to mutual advantage between the two former "colonial" neighbours.

## US car sales

With showrooms brimming with unsold cars, United States manufacturers are cutting their first quarter production schedules again in an attempt to reduce stocks. Hopes are that inventories will be reduced to a point that even if sales nose-dive after new rebate programmes end in mid-March, dealers will have room for cars assembled in March.

## Swiss liquidity

Following the Swiss National Bank's latest discount and Lombard rate increases, banking liquidity in Switzerland rose strongly towards the end of February, and banking industry sources said the approach of the monthly settlement date appeared to outweigh other factors in influencing the activity.

## Syria trade expands

Despite strained relations with the Soviet Union, Syria has been expanding its economic ties with the West. Dozens of European companies are involved in projects in Syria, and officials there are hoping that the volume of trade with the West will continue to expand.

## Belgian deficit

Marc Eyskens, Belgian finance minister, said that the public sector's financing needs this year were likely to climb to BFrac7,000m (£8.9m). Much of this would have to be met by foreign borrowings, and this would put further strains on Belgium's deteriorating balance of payments.

## Shorter shifts at VW

Volkswagenwerk the West German car maker, said that it was planning to introduce shorter shifts at its transmission plant in Kassel, sometime in April. A spokesman said plans were to cut back work for about a week.

## S Korea jobless

South Korea's unemployment rate averaged 5.2 per cent in 1980, the second worst level since 1967, when it stood at 6.2 per cent, the national bureau of statistics said. The number of jobless was 749,000 for 1980, up from 542,000 in the previous year.

## \$6,700m budget

China's budget deficit exceeded \$6,700m (£3,004m) in 1980, the magazine Peking Review said. The Government's original estimate was for a deficit of \$5,300m.

## Citroën lay-offs

Peugeot's subsidiary Automobles Citroën said that it plans an average two days of lay-offs at all its factories in March, affecting about 30,000 of its 54,000 workforce.

## Incomes Data Services looks at public and private organizations

# Defining changes in managers' pay

Incomes Data Services (IDS), the researchers specializing in pay and conditions of employment, yesterday launched a new service for those needing to pinpoint changes in management pay which IDS describes as "a jumble of contradictory information".

The first monthly report from IDS's new Top Pay Unit attacks suggestions that directors' salaries have risen nearly 40 per cent—while also letting in some light on top people's salaries at the Post Office, the National Coal Board and 13 organizations in both private and public sectors. Average annual salary increases for directors are probably less than 20 per cent in most cases, according to the review. It dismisses as "far from conclusive" an analysis in BBC Money Programme suggesting that increases in director salaries and chief executives' salaries had been 39.9 per cent.

The BBC's sample of 50 top companies was small and selective, argues the review. It was based on data from annual reports and reflected total remuneration, including bonus payments, rather than just

salaries. Given the source, with reporting time lags, the aggregate levels reported in 1980 would have reflected rises in 1979 when pay was recovering from a period of pay restraint.

Two more recent and extensive surveys suggested the IDS conclusion about the level of average salary increases. One—by Charteredhouse—reported a median increase of 13.6 per cent.

But the review added: "Although good information is available on the levels of directors' pay, percentage increase figures are frequently suspect." There are many critical variables determining salaries, including types of directorship, the industry involved, profitability, and especially the size of company.

The review's initial researches have thrown up more than 20 sources of information on salaries and benefits as well as information from government and other public sector areas. The data has proved of astonishing diversity, much of it suspect and non-comparable, and in need of qualification, according to Mr Mark Layton, the review's managing editor who is also a director of IDS.

The review at first will be able to do only limited original research of its own, although analyses based on job advertisements is a possibility. But a start has been made on tracking changes in management salaries at individual companies on which there are reports. These showed that in a number of cases managers received salary increases in line with shop floor rises. It is too early yet to see a pattern on such trends, Mr Layton said. At the Post Office at the end of last year, for instance, the top management had had a 15.1 per cent rise compared with an arbitration award for other levels of between 20.6 per cent and 23.6 per cent. At the National Coal Board, however, managers received almost the same rises as the miners after the January settlement—2.73 per cent on salary scales and 13.2 per cent on bonus payments. But there had been downward pressure on management salaries previously, the review points out.

Top Pay Review, monthly by Incomes Data Services, £45 annual subscription.

Derek Harris

## CEGB threat to halt coal supplies deal

By Our Energy Correspondent

Talks aimed at reducing the Central Electricity Generating Board's coal imports next year have started with the National Coal Board, Sir Derek Ezra, the NCB chairman, said yesterday.

The CEGB has given a warning that it would end its agreement to take 75 million tonnes from the NCB annually over five years if it was effectively prevented from importing coal.

Its imports next year are expected to fall from 5.1 million tonnes to 3.1 million tonnes as a contract for deliveries from the United States ends, but the CEGB is keen to maintain its contract for coal from Australia.

But Sir Derek told the Coal Industry Society that he hoped that with the support of government and the electricity authorities it was possible to switch gradually from imports to home-produced supplies.

Reduction of imports of

nearly 8 million tonnes in total is one of the main demands of the National Union of Mineworkers to reduce the financial pressure on the coal industry and to prevent a programme of accelerated pit closures.

Miners threatened to call a strike ballot and some areas took unofficial action after the coal board introduced a programme of 25 pit closures last month to ease the effects of the recession.

This plan was withdrawn as the Government indicated that it was prepared to ease the constraints on the industry imposed by cash limits and the 1980 Coal Act.

Sir Derek said yesterday that he was pleased the Government had recognized the need for a change in the board's financial base to create the conditions for future expansion.

With Government approval the board had set up a working party with the unions.

## MPs to question BL chief on cash plans

By Edward Townsend

Sir Michael Edwards, chairman of BL, is to appear before a Commons committee on Thursday to explain the company's financial plans. The hearing will take place two weeks ahead of the company's expected announcement of a £400m loss for 1980.

The all-party Industry and Trade Committee will question Sir Michael on BL's four-year corporate plan which is being financed for the first two years with £900m of public money.

The BL board has said already that a further £150m will be needed to fund developments in 1983 and 1984.

MPs will want to know from Sir Michael whether he expects this sum to come from government or private sector sources. BL's results for 1980 are expected to be disclosed on March 20. The losses followed the deficit of £122.2m in 1979 and a profit of £1.7m in 1978. BL

has told the Government that it expects to break even in 1983 and become profitable the following year.

Sir Keith Joseph, Secretary of State for Industry, told the committee two weeks ago that the Government was "appalled" at the cost to the taxpayer of funding BL. It was hoped that the company would raise future finance from depreciation, profits, the private sector and from collaboration deals with other motor companies.

He considered that questions relating to BL's management and future marketing plans should be addressed to Sir Michael.

The chairman probably will tell MPs that the company's financial estimates for last year were disrupted by the continuing high sterling exchange rate, which had his export sales, and high interest rates. The latter are thought to have cost BL about £100m last year.

## Technology News

# Europe protest over spacecraft cancellation

The European Space Agency (ESA) has protested strongly to the United States National Aeronautics and Space Administration (NASA) at the decision to cancel an American spacecraft which was to have formed part of a collaborative two-spacecraft project.

Planned launch date for the project, known as the International Solar Polar Mission (ISPM) was 1985. Cancellation of the satellite was attributed by NASA officials last week to severe spending cuts imposed on NASA in the preparation of the Reagan Administration's federal budget.

At a joint meeting, officials of the European agency protested that the cancellation, which was made without consultation, was a unilateral breach of the Memorandum of Understanding between the two agencies. The cancellation was therefore unacceptable to ESA, which requested full restoration of the programme to its original level.

Unilateral actions of this kind, ESA stressed, would be detrimental to future space co-operation between Europe and the United States.

As a result of the cancellation, European scientists from about 17 research institutes who were supplying experiments for the NASA spacecraft would be unable to fly them. The experiments were already in an advanced stage of development; more than half the total costs had been committed and so would be lost without corresponding scientific return. ESA's board of management resolved to take "immediate and strong action". This has included asking all ESA member states to protest against the decision in Washington. The agency is now awaiting the outcome of this.

The second satellite in the project is being built by a Euro-



Cutting through 13mm steel plate with an abrasive-carrying water jet at Cranfield.

pean industrial consortium led by Dornier of West Germany. The aim of the coordinated flights is that the two craft would obtain complementary scientific information about the sun.

## Steel cutting in emergencies

Significant advances in water-jet cutting and cleaning technology have been disclosed in the annual report of the British Hydromechanics Research Association (BHRA) at Cranfield. These include the development of an emergency cutting system for North Sea oil and gas production platforms.

This project is being carried out by BHRA for British Petroleum. The aim was to design a system which could be used to gain access to closed areas on platforms in an emergency, and which would also cut debris to assist in its removal.

This steel-cutting system will form part of the standard equipment on board an emergency support vessel.

The technique which BHRA

is applying for this task has been developed with support from the National Research Development Corporation. It involves the mixing of cheap abrasives in a water jet which can then be used to cut hard materials at pressures which are not excessive.

Using this method, 13mm (about half an inch) thick mild steel plate has been cut at speeds greater than 100mm per minute, at a pressure of 690 bar. Tests have indicated that a 50 per cent increase in pressure should enable twice the thickness of material to be cut, assuming a fixed rate of traverse.

To reduce the risk of the abrasive particles generating sparks during the cutting process, the abrasive is supplied to the cutting head already thoroughly wetted in the form of a slurry. The safe operation of the head has been checked in explosive atmospheres of hydrogen/air and methane/air in a recent series of trials.

As well as steel, these trials included cutting sandstone known to produce dangerous sparks when cut by conventional mechanical means.

No ignition of the gas occurred during cutting with the abrasive water jet.

## Carbon fibres for Airbus

A demonstration Airbus Industrie A300 aircraft is now flying with a rudder made of carbon fibre reinforced plastic (CFRP) in place of the standard light-alloy structure. Measuring over eight metres long and two metres wide, the rudder is the largest single carbon-fibre element undergoing trials on the aircraft at present.

Its weight-saving over the conventional metal rudder is 45kg or about 20 per cent. Performance of the unit is being studied in a programme of flight tests, and a second composite rudder is expected to begin in-service testing on a Luftansa A300 next month. The use of such elements is part of a weight-saving programme on A310 and A300 aircraft aimed at achieving a higher payload.

Kenneth Owen

## French-style loan plan urged for small firms

By Peter Hill

The Government is being urged to consider deploying a loan scheme directed at small businesses modelled on a highly successful scheme developed in France.

Sir Keith Joseph and other ministers have been asked to consider introducing the scheme as the major feature of its attempts to stimulate small business investment and growth. A number of other EEC countries are considering similar schemes and consideration of a similar venture is being studied by the Reagan Administration in the United States.

The French scheme is designed to provide assistance to industrial and commercial companies whose annual turnover does not exceed £35m and which employ up to 500 workers. Loans are made on Credit National with a minimum life of 15 years and a maximum of 20.

The scheme is directed especially at developing products, markets, techniques and the provision of new jobs in areas of high unemployment. The method used is to encourage the Government to subordinate the loan to rank after all other creditors, and thus place it alongside all other shareholders in a company.

There are repayment holidays of up to five years and an initially low interest rate. Sir Charles Villiers, chairman of BSC (Industry) the corpor-

ation's job creation subsidiary, which faces an enormous task in promoting the attraction of job industries in areas where the BSC is running down its activities, said yesterday that over the last two years the French Government had provided £80m in participative loans through Credit National to companies in the main French industrial areas.

Sir Charles has suggested to ministers that if the scheme was adopted in the United Kingdom it could be described as the subordinated loan of the Scottish and Welsh Development Agencies, out of their existing financial allocations.

Funding for the assisted areas of England would be made by another agency, possibly the National Enterprise Board.

He said: "The scheme would not require additional financial provision and it would not replace existing grant schemes. The subordinated loan is not intended as a subsidy but as a financial instrument in its own right."

A loan would constitute a cumulative redeemable preference share and it would offer some competition to banks and other City institutions in their own plans for capital investment in small companies.

Sir Charles has suggested that the use of subordinated loans should be restricted to develop-

## LETTERS TO THE EDITOR

# The affair of the Lloyd's Bill

From Lord Napier and Ettrick  
Sir, The chairman of Lloyd's, Mr. Peter Green, has recently written to all the underwriting members of Lloyd's seeking, inter alia, to justify the inclusion of Clause 11 (the legal immunity clause) in the Private Bill shortly to be considered by Parliament.

I was a member of the Sasse Syndicate No 762 at Lloyd's. Mr. Green has publicly admitted that "grave irregularities had occurred in the affairs of this syndicate", and hence the inclusion of Clause 11.

It has been put about in certain sections of the press that this settlement was some kind of rescue operation. It was, of course, nothing of the sort. It was a settlement, offered at the instigation of Lloyd's, out of court. It was accepted by the names concerned, thus saving Lloyd's from the appalling expense of the whole fiasco coming out in open court—

which it would have done, no doubt causing irreparable damage to the good name of Lloyd's throughout the world. As part of the settlement over £5 million was left as "bad underwriting", and this was readily accepted by the one hundred odd names on this particular syndicate. None of the names in the Sasse case were questioning how much of a loss in excess of £21 million was there legal liability?

Lloyd's are now putting forward the argument that proposed new Bill was approved

at an extraordinary general meeting of the members in the Albert Hall last November by some 99.57 per cent. What was agreed at that meeting, which I attended, was the principle of a new Bill to give Lloyd's powers to better order its own affairs. The details of the Bill were not disclosed until some time later.

I do not believe that any future disgruntled name could ever sue the committee simply for bad underwriting. Lloyd's could only be sued if they had been in breach of their duties, either statutory or contractual, owed to the name. If Lloyd's have behaved properly they have nothing to fear in the courts. On the contrary, they would be vindicated. Of course the position would be different if in fact they have behaved improperly.

It seems to many of us that Lloyd's are now seeking to place themselves above the law. Should this come to pass, then I believe it would be prudent for every name to reconsider his or her own position most carefully with a view to deciding whether they wish to continue as underwriting members of Lloyd's—and it is, after all, a fact that without the financial backing of the external names, Lloyd's would cease to function.

I am, etc.,  
NAPIER & ETTRICK,  
House of Lords,  
February 26.

From Mr David Charlesworth  
Sir, Further to your Business Diary, profile of Lloyd's of

London, I write as an ordinary non-working "external" member, with no record some statistics that might put some current matters in perspective.

The proposal to present a Bill to Parliament, following the Fisher report, was approved at an extraordinary general meeting of all members that 99 votes for and 52 against.

The association of which Lady Middleton is chairman represents only some 200 external members, three-quarters of which presumably voted for the Bill in its original form. The majority of the active members of her committee are new members of Lloyd's—in fact a secretary only started writing letters last month. Lloyd's are held open for the years to meet claims, and this is a further delay whilst payments are made and tax matters dealt with—it is therefore 5 years after election that a member has seen a complete cycle of events.

That Parliament is supreme is surely accepted by all. Lloyd's, but MPs should be in a position to send external names has a membership of 1 per cent of such names, and that 99.57 per cent of all members voted for the Bill and that the overwhelming majority of all members support the present chairman of Lloyd's, Mr Peter Green, and his council.

I remain, Sir,  
DAVID CHARLESWORTH,  
4 Shaftesbury Mews,  
Stratford Road,  
London, W8 6QR.  
February 25.

## Gas bill complaints

From Mr Raymond J. Hill

Sir, The British Union of Social Workers feels that the decision of the Gas Board to impose standing charges on the users of gas meters is yet another blow against the most vulnerable members of our society, and that this is another example of Government interference in the running of nationalised industries specifically designed to kill off those who are likely to make demands upon other services.

The imposition of this charge could mean the difference for the elderly on a fixed income between adequate heating and death from hypothermia.

We in the British Union of Social Workers feel that we must protest against this short-sighted action.

Yours faithfully,  
RAYMOND J. HILL,  
General Secretary,  
British Union of Social Workers,  
5 Sydney Road,  
Haringey,  
London, N8.  
February 19.

From Mr J. W. Richards  
Sir, The "robbery" of the gas standing charge referred to by your correspondents, and the

anomaly which enables it to be avoided by the installation of a coin meter, pales into insignificance beside the extortion practised by the British Gas Corporation in applying their charges for certain domestic premises.

I am one of a cooperative of six flat owners whose annual gas bill is of the order of £2,000 a year.

One meter serves all flats and we share the bill.

Charges to us are made at the commercial rate of 26.1p per therm. A complaint to North Thames Gas that we should be charged at the domestic rate (24.6p for the first 52 therms and 21.2p thereafter) elicited this reply:

"... The British Gas Corporation specify that the 'gas supplied under the Domestic Credit Tariff may be used only in a private residence not subdivided into separately occupied parts' and your premises do not qualify for this tariff."

A formal request to the chairman of the British Gas Corporation, the decision of the irrational and inequitable ruling remains unswayed.

J. W. RICHARDS,  
17 Palace Gate,  
London, W8.  
February 26.

## Looking back in amazement

From Mr R. Williams

Sir, The debate continues on how the revenues from North Sea oil should be spent to the best advantage—let us hope that a sensible and acceptable solution is soon reached.

Meanwhile, I suggest that posterity will look back on this period in our history with amazement and disbelief—disbelief that the Government have failed to utilize this fantastic piece of good fortune for the benefit of our own people and our industry, by accepting a lower level of taxation on oil

and gas for United Kingdom consumption and passing on the immense benefits of lower prices to the inhabitants of these islands, as the Americans have done for decades.

Not only would we now be enjoying a considerably lower level of inflation, but our industry would be in much better shape, and much more competitive, at much lower costs and lower prices.

Yours faithfully,  
REG WILLIAMS,  
Pinerees,  
North Road West,  
Hythe,  
Kent.  
February 16.

## Wealth and unity

From Mr B. Barker

Sir, This institute is a good example of the professional institutions to which the Chairman of Southern Electricity referred (February 20) in his appeal for a closer understanding between the public and private sectors of the economy based on their interdependence.

Seventy per cent of chartered secretaries work in the private sector and thirty per cent in the public. At our branch meetings and conferences the health service administrator rubs shoulders with the company secretary and the electricity board administrator with his opposite number in the industrial company which is his customer. This is one of the many advantages of being professionally qualified.

In 1980 our qualification was recognized in the Companies Act as being appropriate for the secretary of a public limited company; in 1981 we are being recognized as providing the appropriate qualification for administration in local government.

We firmly support Mr Wedgwood in his view that bridges need to be built and maintained between the sectors. Why should we be so concerned about ownership? What matters is cost effective performance leading to the creation of wealth and jobs. Envious sniping of one at the other can only distract and damage.

At any rate, chartered secretaries are the same wherever they are employed—and so are other professional people.

We accept the aims which Mr Wedgwood has described and the responsibility which follows from that acceptance.

Yours faithfully,  
B. BARKER,  
Secretary and Chief Executive,  
The Institute of Chartered Secretaries and Administrators,  
16 Park Crescent, London, W1N.

## THE UNITED STATES AND GENERAL TRUST CORPORATION, LIMITED

The Ninety-first Annual General Meeting of the United States and General Trust Corporation Limited will be held on March 26th in London.

The following is comment by the Chairman, Mr. C. K. R. Nunneley, included in the Report of the Directors which has been circulated to shareholders:

The retirement of Bill Merton on 31st December, 1980, after four years as Chairman, leaves a gap which will indeed be difficult to fill. His knowledge, charm and courtesy have been of the greatest value to his colleagues and we will all miss him very much.

His final year was a profitable one for the company's shareholders—remarkably so in the circumstances of the world economy. Against a background of deepening recession, worsening unemployment, spiralling interest rates and high inflation, investors appear to have decided that equity investment offered real hope of maintaining real value. Among the stockmarkets of any size, only that of Belgium failed to show a positive overall return in local currency terms. For a UK investor, however, the strength of sterling reduced returns from all overseas markets except Japan and, in particular, made investment in Continental Europe generally unattractive. In these circumstances your Board have continued to invest the bulk of the company's assets in the UK and the rise of 32.9 per cent in net asset value per share compared favourably with the major indices: the FT Actuaries All Share Index rose by 27.1 per cent, while the Standard and Poor's Composite Index in the USA and the Tokyo New Stock Exchange Index in Japan each rose by 17.0 per cent in sterling terms.

The decision by the Chancellor of the Exchequer to exempt investment trust companies wholly from corporation tax on capital gains from 1st April, 1980, was welcome. By encouraging more active investment policies, and by making the shares more attractive to tax-free institutions, it has been one of the forces behind the reduction of the average discount on investment trust assets values from 33 per cent to 25 per cent during 1980; this improvement was reflected in the price of the Company's ordinary shares.

Growth of income has been better than expected. Excluding from the 1979 figures the large non-recurring dividends which were passed on to shareholders as a special payment of 1.68p per share in November, 1979, net revenue available for ordinary shareholders rose by almost 19 per cent in 1980. This enables your Board to recommend a final dividend of 6.50p per share, making 10.5p for the year, which is slightly greater than the total amount of 10.29p per share received by shareholders in 1979, including the special payment, and an increase of 22 per cent in the normal dividend.

The prospects for an increased income in 1981 cannot be said to be encouraging, particularly in the UK, and any change in our investment policy aimed at raising the overseas percentage of the portfolio could reduce the overall yield. However, your Board see no reason at present why the current dividend should not be maintained.

## HOW MANY OTHER SPECIAL DEVELOPMENT AREAS CAN MATCH THIS OFFER?

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## FINANCIAL NEWS

AID Group  
takes stock  
after first  
public year

By Our Financial Staff  
Allied International Design Group, which came to market a year ago, makes part of its profits from suggesting new products for others. It is the principal growth offshoot of a four-arm group that takes in corporate image making, design and market research.



Mr. James Pilditch, chairman of Allied Industrial Design group.

It has already suggested that Limmits, the slimming biscuit maker, could expand with an aerosol spray called Spray and Fry which costed in fat. Some 15 months ago it suggested other DIY products for Rawplug and further steel-related products for Sheffield cutlery firms.

Mr. James Pilditch, chairman of AID, says that companies that have an excellent name restrict themselves to only one product and need suggestions on the way to exploit the name with other goods. For that they pay AID Group between £60,000 and £120,000 in fees.

This sort of innovation by its six-man team, of a total staff of 85, pushed profits for the seven months to the end of last October to £46,500 against a loss of £58,000 in the whole of 1979.

AID Group came to the 163(2) market and it now on the Unlisted Securities Market, via a reverse takeover of the United Rubber & Coffee Plantations (1932).

To give some comparison of the group's progress, AID has produced figures which show the contributions during the period, on an annual basis.

That gives a pretax profit of £205,000 against £100,000 on a turnover of £1.6m against £1.2m. But the group is paying no dividend. Owing to a £60,000 adverse balance on the revenue reserve of United Rubber, the group is precluded from a payment.

Smith Whitworth  
and Vickers  
settle claim

Smith Whitworth's litigation with Vickers over the sale of Roevac Automation has been concluded at a total cost of £110,000.

Vickers made a total claim in August 1978 of more than £400,000, but the claim has been settled by payment of £40,000 relating solely to a shortfall in the net asset position as warranted at completion. The steel fabrication and textile machinery group added that £70,000 of irrecoverable costs have resulted from the litigation.

Before the action a sum in excess of the final settlement was paid into court and there will be no material effect on the future liquidity or earnings of the company.

Bank Base  
Rates

Bank	Rate
ABN Bank	14%
Barclays	14%
BCCI	14%
Consolidated Credit	14%
C. Hoare & Co.	14%
Lloyds Bank	14%
Midland Bank	14%
Nat Westminster	14%
TSB	14%
Williams and Glyn's	14%

\* 7 day deposit on sums of £10,000 and over 11% up to £50,000 12% over £50,000 12%.

Payout cut as profit  
slumps at Blagden  
& Noakes

By Margaret Pagano  
More than halved pretax profits and a lower final dividend payment are reported by Blagden & Noakes, the steel drum, plastics and chemicals manufacturer, whose biggest customer is ICI.

Group profits dropped to £2.5m in the year to December against a record £5.65m last year. Sales fell to £60.2m from £61.25m. The final dividend has been cut from 6.71p gross last year to 4.23p, making a total for the year of 8.5p gross against 11p. The shares tumbled 5p to 95p on the news yesterday.

Although the steel strike affected trading in the first half, the real decline came last spring when at one time demand was down by 35 per cent for the group's steel drum products. Mr. Jack Noakes, the chairman, said, in the first six months the group made pretax profits of £2.09m leaving only £500,000 profits reported in the second half.

The reduction in demand for steel drums, about half of total sales, and plastic mouldings for the motor industry continued through the year. Trading profits from drum manufacture were down to £1.3m against £3m, and plastic mouldings lower at £356,000 compared with £1.6m.

William Press to form  
new holding company

By Catherine Gunn

The directors of construction group William Press & Sons are to form a new group holding company under the William Press name, in order to separate group management from the trading subsidiaries, and pave the way for future expansion abroad.

Shareholders of William Press & Sons are to be offered one fully paid 10p share in the new holding company, William Press Group for every two 5p shares they now held. The company is also offering to buy back outstanding preference and loan stocks, for a total cost of £1.2m.

Preference shareholders are being offered 73p a share. Holders of the 61 per cent loan stock will get £86.50 cash for every £100 nominal of stock, and holders of the 8 per cent loan stock get £83.50 for every £100 of nominal they own.

A second interim dividend will be paid to shareholders in August, in place of William Press & Sons' final dividend for 1980. Preference and loan stock holders will receive all interest due to them at the completion date, which should be some time in mid-May, Mr. William Hawken, the chairman, said yesterday. Details will be posted to shareholders in mid-March.

Mr. Hawken said the company would like to expand its interests in energy production and downstream plant and make direct acquisitions abroad. He said it would also make more trade investments like the small stake recently built up in French Kier.

The scheme must be approved in the Chancery Division of the High Court. Proceedings taken against the company by the Inland Revenue over PAYE payments come to court on April 27.

Kenana, which lies about 150 miles south of Khartoum, is now controlled by Arab shareholders. Saudi Arabian and Kuwaiti interests, including members of the Kuwaiti ruling family, hold about 57 per cent of the equity. Most of the rest is in the hands of the Sudan government, with less than 1 per cent held by the Japanese company Nishio Iwai.

After Lonrho pulled out because it could not raise the export finance, the plant engineering was taken over by Technip, a French company. Nishio Iwai supplied the plant's power station. The plant is designed to run on waste material from sugar cane.

Hume Industries (Malaysia) recorded a 77.3 per cent rise in group pretax profits in the six months to December 31, to 11.4m ringgits (£2.3m).

Riding the Malaysian construction boom, the construction materials concern saw sales surge 115.6 per cent to 109.2m ringgits. The interim dividend was left unchanged at 6p per cent despite the company's enlarged capital compared with the year-earlier period.

Credit Suisse, one of the three largest banks in Switzerland, has reported a 14 per cent rise in net profits for 1980. Net profits were 281m francs (£65m) and net assets rose by 8.2 per cent to 63,500m francs. The board has described the results as "satisfactory".

Bank Hapoalim, Israel's second largest bank, has ended 1980 with a 21.2 per cent rise in its balance sheet to £17,000m. Net consolidated profits for the year rose from £56.9m to £84.7m.

Two new managing directors at Glynwed Foundries are: Mr. Jeffrey Bernaschi, director, who has been promoted to managing director of the company's building products division and Mr. Harry T. Greffield, formerly director and general manager of the automotive and engineering castings division, who becomes managing director of that division.

Mr. Kenneth Gaskell has been made director of the National Coal Board's Road Transport Service. He was previously commercial manager of the service and succeeds Mr. E. V. Molyneux who is to retire.

Mr. Dennis S. Oliver has become a member of the board of Anglo-American Venture Fund.

Mr. Brian Thomas has been made deputy managing director of Treelec Acoustics.

Mr. Karl H. Lutz is now finance director and company secretary of Interlobe Systems, a member of the Tealemit Group of Companies.

Mr. Mark Dumas has become a director of E. D. & F. Man. He is chairman of E. D. & F. Man (Coffee) and will continue to be responsible for Group coffee interests.

Mr. David G. Wrightson has been made a non-executive director of Matthews Weightson Underwriting and Matthews Weightson Pubrook.

Mr. Frederick C. Jeffery has joined the board of the Reliance Mutual Insurance Society.

Mr. George Law has become a non-executive director of Baker Peckings Holdings.

Mr. Philip Cockcroft is now chairman of the Sutcliffe Group. Mr. Peter Hogg becomes a non-executive director, with specific interest in management development.

Prince of  
Wales group  
acquires  
Variety Inns

By Our Financial Staff

The Southport-based Prince of Wales Hotels group yesterday revealed a £600,000 conditional contract to purchase the private Variety Inns group for a total of £955,000 in a mixture of shares and cash payments.

The group, which operates hotels in Southport, the Lake District, Brighton and elsewhere, announced yesterday that it had acquired the whole of the issued share capital of Variety Inns, which runs the Arnos Court hotel in Bristol and the Cambridge Hotel in Canterbury, and also holds 75 per cent of the issued capital of Martins Taverns, which operates the Crown Inn in Cheltenham.

The total consideration is £955,000. Some £617,000 is to be paid by the allotment to the vendors of 950,000 new ordinary shares—representing 19 per cent of the enlarged share capital. Three loan notes of £233,000 guaranteed by the County Bank and redeemable in 1983 and a cash payment of £104,500 make up the remainder.

The share price jumped 8p to 82p on the news. The three properties, all tenanted, were valued in December 1980 at £1.6m, including fixtures and fittings. The addition of the hotels brings the Prince of Wales' total number of hotels to 11 and two public houses.

Mr. Arnold Clayman, chairman, said yesterday that together Variety Inns and Martins Taverns would contribute significantly to the group's earnings. First, however, the group would be able to make substantial savings in head office administration and directors' payments. The strong cash flow from Variety Inns, particularly in the winter months, would benefit the group's own cash flow position, he said.

The last year's results to December 1979 showed pretax profits of £471,000 on turnover of £5.4m. The total dividend payments for the year were £44p gross. This compared with £50,000 profits in the previous year. The last accounts showed a property revaluation of fixed assets giving a surplus of £1.17m.

The Prince of Wales group's other hotels are in Blackpool, Chester, Harrogate, Brighton, and two apiece in Southport and the Lake District.

Mr. C. Martins, the managing director of Martins Taverns, holds the remaining 25 per cent stake in that group.

International

originally costed at £52m, has in fact taken £281m. At the same time, the composition of the shareholders has changed. Lonrho, the British company with extensive African agricultural interests, once had 49 per cent but now has less than 1 per cent.

Kenana, which lies about 150 miles south of Khartoum, is now controlled by Arab shareholders. Saudi Arabian and Kuwaiti interests, including members of the Kuwaiti ruling family, hold about 57 per cent of the equity. Most of the rest is in the hands of the Sudan government, with less than 1 per cent held by the Japanese company Nishio Iwai.

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Credit Suisse up 14 pc

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## Low and Bonar can clinch £4m deal

Approval has now been given by the Canadian Foreign Investment Review Authority for the CS11m (£4m) cash deal by which the Low and Bonar group, of Dundee, which operates internationally in packaging, engineering, textiles and travel, will buy the 45 per cent minority interest of Bemis Company Inc. of Minneapolis, United States, in their jointly-owned Western Canadian Packaging Company.

The deal will put all Low and Bonar's £32m 14-plant Canadian packaging network into one company, Bonar Packaging. It will strengthen the Group's North American operation.

In 1979 the group established a new packaging plant in Georgia for the manufacture and distribution of bulk containers.

No further payment yet by Swan Hunter

Liquidators at Swan Hunter Group say they cannot estimate when any further distribution

can be made, or when the liquidation will be complete. Mr. P. W. Burrows and Mr. E. H. Larkins, liquidators, said that complex matters remain and although progress has been made towards their clarification it is not yet possible to forecast how soon or to what extent the provisions for contingent liabilities can be released.

The first cash distribution to shareholders was in 1979 at the same time as Gosforth Industrial Holdings acquired the non-nationalized parts of the group.

'Sugar supply less tight than expected'

E. D. and F. Man, the sugar dealer, has reported that sugar supply in the current season has been less tight than anticipated, due to reduced consumption and another excellent EEC crop.

Man, in a report dated February 27, said the lower consumption was due to recession and corn sweetener substitution. It is clear market tempo is slow-

ing, it said, noting that prices for 1983 deliveries are close to 20 cents, while nearer positions have fallen some 50 per cent in the past 16 weeks.

Pretoria Portland  
cancels UK listing

Pretoria Portland Cement, the South African building material maker, has cancelled its listing on the London Stock Exchange. The company, only 2 per cent of whose shareholders are resident in the United Kingdom, said last month that it would apply for de-listing.

NCC Energy in US  
Housekeeping

NCC Energy and Ni-Cal Developments report that Ni-Cal's United States subsidiary, California Nickel Corporation, has signed a contract with Kaiser Engineers Inc for the completion of a final feasibility study for the development of a \$250m strategic

minerals complex in Northern California. NCC Energy's acquisition of a further 339,649 shares of Ni-Cal's common stock has been approved by shareholders and Mr. Graham Ferguson-Lacey, chairman of NCC Energy, has been appointed to the board of Ni-Cal Developments.

Allied Textile's  
qualified accounts

Allied Textile Companies, the Yorkshire worsted spinner, has had its accounts qualified by accountants Armitage & Norton who were unable to verify a £250,000 provision for further estimated rationalization costs. Allied has taken a cautious attitude towards parts of the business whose future is uncertain, accounting for them on a break-up rather than going concern basis.

Allied, which showed cash and investments of £5.2m in the balance sheet, says there is no sign of an improvement in trading.

Preliminary Results from  
Royal Insurance

## PRELIMINARY RESULTS FOR 1980

The profit before taxation was £122.5m (1979 £131.5m). This compares with the forecast of £120m made last December at the time of the rights issue. Net profit attributable to stockholders was £70.2m. The comparative figure for 1979 is £73.8m being the net profit before the addition of the special long-term insurance profit item relating to 1975/78. As forecast at the time of the rights issue, the recommended final dividend is 14.75p per 25p unit of stock making a total for the year of 24.0p (1979 21.5p)—an increase of 11.6 per cent.

The audited accounts are due to be published on 21st April 1981. Preliminary unaudited figures for the year 1980, with the comparable figures for the year 1979, are as follows:—

	Year 1980 £m	Year 1979 £m
General Insurance: Premiums Written	1,241.6	1,225.1
Underwriting Result	-40.4	-16.5
Investment Income	146.7	133.0
Long-term insurance profits	10.0	7.7
Share of Associated Companies' profit	6.2	7.3
Profit before taxation	122.5	131.5
Less: Taxation	51.5	56.3
Minority interests	0.8	0.9
Net profit after taxation and minorities	70.2	73.8
Balance after tax of stockholders' long-term insurance profits 1975/78	-	7.2
Net profit attributable to the stockholders (pence per unit)	70.2 (46.6p)	81.0 (53.9p)
Dividends for the year (pence per unit)	41.7 (24.0p)	32.4 (21.5p)
Transfer to retained profits	28.5	48.6

## EXCHANGE RATES

In the above figures, foreign currency has been translated according to our normal practice at approximately the average rates of exchange ruling during the period. The principal rates were:—

USA	\$2.33	\$2.12
Canada	\$2.72	\$2.49
Netherlands	Fls 4.63	Fls 4.26
Australia	\$2.04	\$1.90

Premiums written in 1980 have been depressed in sterling terms in comparison with 1979 due to movements in exchange rates. The underlying premium growth was 8 per cent.

The effect of changes in exchange rates in the comparison of the year's results was to depress the profit before taxation by £5.3m: the underwriting result benefited by £4.3m, but the investment income was adversely affected by £9.6m. The underlying growth in investment income was 17.6 per cent.

## UNDERWRITING RESULTS

	Year 1980 £m	Year 1979 £m
USA	-16.1	-8.2
UK and Irish Republic	10.4	5.6
Canada	-24.1	-14.9
Netherlands	4.3	5.1
Australia	-8.5	-4.0
Other Overseas	-6.4	-0.1
	-40.4	-16.5

In the United States our very important commercial multi-peril business again produced a profit, though considerably lower than in 1979. In all other major lines there were losses, in most cases larger than in 1979. Workers' compensation and personal motor business, however, showed reduced losses.

In the United Kingdom there was again a satisfactory underwriting result. Almost all major lines of business were profitable. Property results benefited from the generally favourable weather conditions and the reduction in the industrial fire damage costs in the second half of the year. The liability underwriting experience was adversely affected by the substantial increase in average claims costs.

In Canada as a result of the very difficult market conditions obtaining throughout the year, brought about by intense competition and the consequent absence of rate increases, all major lines with the exception of liability made losses.

In the Netherlands the satisfactory result for the year was due to the continued profitability of the large motor account. There were underwriting losses on most other lines.

In Australia, market conditions remained difficult and there were heavy underwriting losses in most major lines with a particularly marked deterioration in workers' compensation.

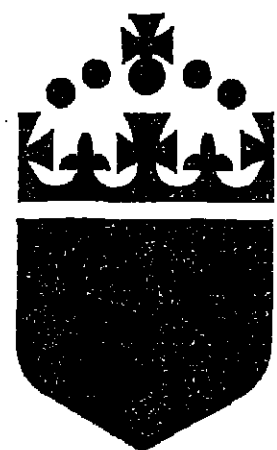
In Other Overseas the sharply increased underwriting loss reflects the worsening market conditions in many of the countries in which we operate. There was a breakeven result on overseas business written in the United Kingdom.

The operating ratios for the USA on the US statutory basis are:—

	Year 1980	Year 1979
Claims as % of earned premiums	69.0	68.3
Expenses as % of written premiums	33.4	32.5
	102.4	100.8

## FINAL DIVIDEND

The directors propose to recommend to the stockholders that at the annual general meeting, to be held on 14th May 1981, a final dividend be declared of 14.75p per 25p unit of stock to be paid on 22nd May 1981. This dividend will be payable on the capital as increased by the rights issue to stockholders registered at the close of business on 24th April 1981. This together with the interim dividend of 9.25p already paid will make a total distribution of 24.0p per unit of stock for the year 1980 compared with 21.5p for 1979. With the addition of stockholders' tax credit the equivalent "gross" dividend for the year at the current rate of tax is 34.29p.



# Royal Insurance

Group Head Office, 1 Cornhill, London EC3V 3QR

## M. J. H. Nightingale &amp; Co. Limited

27/28 Loyal Lane London EC3R 8EB Telephone 01-621 1212

## The Over-the-Counter Market

1980/81 High/Low		Company	Price	Ch'ge	Gross Div(P)	Yld %	P/E
75	39	Airsprung Group	63	—	6.7	10.6	5.7
44	21	Armistage & Rhodes	43	—	1.4	3.3	17.7
192	924	Bardon Hill	189	—	9.7	5.1	7.1
98	88	Deborah Services	92.5d	—	5.5	6.0	4.6
126	88	Frank Horsell	106	—	6.4	6.0	3.3
110	51	Frederick Parker	50	-1	11.0	22.0	2.3
110	74	George Blair	75	—	3.1	4.1	—
110	59	Jackson Group	107	—	6.9	6.4	4.1
124	103	James Burrough	119	—	7.9	6.6	9.8
334	244	Robert Jenkins	330	—	31.3	9.5	—
55	50	Scruttons "A"	52	-1	5.3	10.2	3.8
224	215	Torday Limited	216	—	15.1	7.0	3.7
23	10	Twinkl Oak	11	—	—	—	—
90	69	Twinkl 15% ULS	71	—	15.0	21.1	—
56	35	Unilock Holdings	42	—	3.0	7.1	6.5
103	81	Walter Alexander	103	—	5.7	5.5	5.7
263	181	W. S. Yates	260	—	12.1	4.7	4.2

## Business appointments

Glynwed Foundries board  
has two new directors

Two new managing directors at Glynwed Foundries are: Mr. Jeffrey Bernaschi, director, who has been promoted to managing director of the company's building products division and Mr. Harry T. Greffield, formerly director and general manager of the automotive and engineering castings division, who becomes managing director of that division.

Mr. Kenneth Gaskell has been made director of the National Coal Board's Road Transport Service. He was previously commercial manager of the service and succeeds Mr. E. V. Molyneux who is to retire.



## MARKET REPORTS

## Commodities

[illegible]

## F. H. Tomkins sale

**to Brasway**  
F. H. Tomkins' subsidiary—Woden Steel and Fasteners—has sold to Brasway the fixed and current assets comprising part of the freehold premises at Woden Works, Wensbury, and certain plant and machinery and stocks relating to its steel department. Brasway has also undertaken to discharge certain liabilities of that department, consideration £189,000 cash.

Certain trade debtors were collected by Brasway for

**LME metal stocks**

Stocks in London Metal Exchange official warehouses at the end of last week (all in tonnes except silver, which is in troy ounces):

Copper	fell 2,500 to 119,300;
Tin	fell 515 to 6,510;
Lead	fell 3,300 to 61,675;
Zinc	fell 525 to 91,825;
Aluminium	fell 1,025 to 46,525;
Nickel	rose 48 to 1,068;
Silver	fell 1.11m to 14.6m.

[illegible]

1930-31			
High	Low		
Bid	Offer	Trust	Bid Offer Yld
Charities (Charities Narrower-Range Fund.			
15	15	Midwest. Land-Inv. Fd.	01.638
132	1	Income Ltd.	118.0
244	161.6	On Account	202.3
Charities (Official Investment Fund)			
77	77	London W. All. London. LCC.	01.383
129	129	6 Inc. (24)	152
241	6	Inc. (24)	37.9
Charities Trust Managers Ltd.			
11	11	New St. London. FCM 4TP.	01.223
30.6	21.1	American Fund	30.9

## Discount market

The discount houses required help on an unprecedented scale from the Bank of England yesterday. It clearly reached proportionate limits, however, by the time the market closed. The overwhelming factor with which the market had to cope was the payer to the Eschequer for the £100 million in taxation, though dwarfed into insignificance, there was a moderate amount of £10 million in bills maturing in official hands.

## Foreign exchange report

Very active and nervous at first, foreign exchange markets subsided into a lull and then down to a low level yesterday.

Sterling which at one stage dipped to \$2.1652, its lowest level since early-April last, yesterday recovered during the mid-session and was relatively steady in later trading.

Against the dollar, the pound gave up 245 points at \$2.1805, while its trade-weighted index fell 1.25 points to 100.02, from a peak of 98.1 to end only 0.2 points lower at 98.7 from 98.5 on Friday.

Dealers said speculation over a possible rise in the dollar was the main reason for sterling's decline, but there was also some selling pressure because of the dollar's rise.

Higher Euro-dollar deposit rates reflecting the view that United States interest rates will stay high, also helped to depress the dollar.

The United States currency to use full gains at the expense of the Deutsch-marks at 1.1987 (2.1975) and the Swiss franc at 1.9795 (1.9673).

## Sterling: Spot and Forward

	Market rates ids+range	Market rates volume	
March 2		March 2	
New York	\$2.18-2.20	1 month	2.28-2.30c disc
Miami	\$2.18-2.20	3 months	3.00-3.10c disc
London	\$1.15-1.15	6 months	3.60-3.70c disc
Brussels	\$1.15-1.15	9 months	3.80-3.90c disc
Copenhagen	\$1.15-1.15	1 year	4.00-4.10c disc
Frankfurt	\$1.15-1.15	1 year	4.00-4.10c disc
Paris	\$1.15-1.15	1 year	4.00-4.10c disc
Amsterdam	\$1.15-1.15	1 year	4.00-4.10c disc
Stockholm	\$1.15-1.15	1 year	4.00-4.10c disc
Oslo	\$1.15-1.15	1 year	4.00-4.10c disc
Helsinki	\$1.15-1.15	1 year	4.00-4.10c disc
Tokyo	\$1.15-1.15	1 year	4.00-4.10c disc
Singapore	\$1.15-1.15	1 year	4.00-4.10c disc
Bombay	\$1.15-1.15	1 year	4.00-4.10c disc
Calcutta	\$1.15-1.15	1 year	4.00-4.10c disc
Rangoon	\$1.15-1.15	1 year	4.00-4.10c disc
Manila	\$1.15-1.15	1 year	4.00-4.10c disc
Cebu	\$1.15-1.15	1 year	4.00-4.10c disc
Yokohama	\$1.15-1.15	1 year	4.00-4.10c disc
Kobe	\$1.15-1.15	1 year	4.00-4.10c disc
Shanghai	\$1.15-1.15	1 year	4.00-4.10c disc
Hong Kong	\$1.15-1.15	1 year	4.00-4.10c disc
Beijing	\$1.15-1.15	1 year	4.00-4.10c disc
Tientsin	\$1.15-1.15	1 year	4.00-4.10c disc
Harbin	\$1.15-1.15	1 year	4.00-4.10c disc
Qingdao	\$1.15-1.15	1 year	4.00-4.10c disc
Shenzhen	\$1.15-1.15	1 year	4.00-4.10c disc
Guangzhou	\$1.15-1.15	1 year	4.00-4.10c disc
Chengdu	\$1.15-1.15	1 year	4.00-4.10c disc
Wuhan	\$1.15-1.15	1 year	4.00-4.10c disc
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Harbin	\$1.15-1.15	1 year	4.00-4.10c disc
Qingdao			

**Effective exchange**

Indices	Bank of England Index	Morcan Guaranty Changes	Dollar Spot Rates	M R
Settling	98.7	-2.3	Ireland	1.70-1.335
\$ Dollar	101.4	-2.0	& Canada	0.810-0.813
Canadian dollar	101.2	-2.3	Netherlands	2.670-2.780
Schilling	115.2	-2.2	Belgium	19.35-23
Belgian franc	101.0	-2.0	Denmark	6.730-6.750
Danish franc	102.2	-2.0	West Germany	2.20-2.320
Deutsche mark	119.2	-3.9	France	57.40-57.55
Swiss franc	125.0	-3.9	Portugal	87.00-87.79
Guilder	112.0	-3.3	Spain	1025-1037
French franc	145.2	-10.2	Norway	5.46-5.49
Yen	345.2	-10.2	France	6.050-6.060
			Japan	4.6850-4.6860
			Sweden	20.00-210.10
			Switzerland	15.00-15.27

## Dollar Spot

Rates		Rates	
Ireland	1.70-1.535	Ban	
Canada	0.8310-0.8313		
Netherlands	2.5780-2.5780	(Law	
Belgium	25.19-25.22		
Denmark	6.7350-5.7350	(Urea	
West Germany	2.1520-2.1520		
Portugal	57.40-57.55	Direc	
Spain	87.60-87.70	Urea	
Italy	1035-1037		
Norway	5.465-4.49	Week	
France	5.0650-5.0650		
Sweden	6.650-4.6650		
Japan	210.90-210.10	Buy	
Mexico	15.25-15.27		

## Money Market

# Rates

Bank of England MLR 14%  
(Last changed 24/11/88)  
Clearing Banks Base Rate 14%  
Discount Mkt Loans %  
Overnight: High 14 Low 14  
Week Fixed: 14-13%  
Treasury Bills (Dis%)  
Buying Selling

**Other**

## Markets

Australia	1.5790-1.5840
Bahrain	8190-8220
Finland	8 97-91.0
Greece	109.90-112.90
Hongkong	11.6430-11.6510
Iran	Not available
Kuwait	5.955-5.983
Malaysia	0.0130-0.0490
Mexico	5.96-62.15
New Zealand	2.3710-2.3810
Saudi Arabia	7.2680-7.2880
Singapore	4.5740-4.6040
South Africa	1.7100-1.7250

## Wall Street

New York, March 2.—Stocks on the New York Stock Exchange closed higher in moderate trading as the NYSE Index rose 1.65 to 104.75. The Dow Jones Industrial average gained 3.41 to 977.99 and advances led declines by 11 to 10. The market closed on 477,010 shares from 52,210,000 Friday.

The oil bounceback back after being hit in recent sessions. Santa Fe International gained 11 to 52 1/2, its fourth quarter profit doubled. Standard Oil (Indiana) rose 11 to 68 1/2; American Overseas Oil rose 10 to 72 1/2; and Mobil rose 10 to 68 1/2.

Among Airlines UAL Incorporated gained one to 244 and American to 122, both in active trading. Trans World Airlines of America moved at 12 1/2. Delta rose 13 to 58 1/2. Union to 20, Trans World 3 to 20 1/2 and Northwest 1 to 20 1/2.

Commercial Airlines rose 1 to 12 1/2; but Western Airlines lost 7 to 122 and Texas Eastern 1 to 122 1/2.

The New York Stock Exchange, The Civil Aeronautics Board gave tentative approval both to the proposed merger of Trans World Airlines and to Texas Air's request to buy 46.5 per cent of Continental.

Steel stocks were mixed. Republic closed 11 1/2 to 22 1/2. Republic's proposed merging, billion price. US Steel rose 1 to 22 1/2, Bethlehem 3 to 26 1/2 and active LTV Corp. 1 to 26 1/2.

Among gold shares, ASA fell 2 1/2 to 43. Dome Mines 3 to 79 1/2, American 11 1/2 to 43 1/2 and Campbell Red Lake 2 to 43 1/2.

## U.S. commodities

[illegible][illegible]

## Authorized Units, Insurance & Offshore Funds

[illegible]



ACCOUNT DAYS: Dealings Began, March 2 Dealings End, March 13. § Contango Day, March 16. Settlement Day, March 23  
§ Forward bargains are permitted on two previous days

[illegible]



من الأصل



PERSONAL CHOICE



Diana Rigg as the bored and beautiful Hedda with Denis Lill her adoring husband George in tonight's ITV production of Ibsen's masterpiece, Hedda Gabler (9.30).

Admiral of the Fleet, Lord Hill-Norton continues his seven-part series on the ships of the Royal Navy with a look at the history and modern-day role of the once-famous gunboat in tonight's edition of Seapower (BBC 1, 7.40). Since the days when "sending a gunboat" was our answer to any problem concerning British sovereignty and the mere presence of one of these ships quickly quelled an uprising the role of this type of ship has become, to quote Lord Hill-Norton, "the maritime policeman on the beat". The boat nowadays is around the coasts of Great Britain and in the programme we join HMS Angleson on its policing job as an off-shore patrol vessel of the Fishery Protection Squadron receiving its orders not from the Admiralty, but the Ministry of Agriculture, Fisheries and Food. Reminders of past heroic deeds are shown in film clips of the Amethyst during the famous Yangtze Incident and the American vessel Panay being strafed and sunk, by accident, according to the perpetrators, Japan. Happily, my criticism of Lord Hill-Norton's delivery in his first programme, which produced a number of letters to his defence, does not apply this evening because he comes over in a more relaxed way.

The collie and his shepherd master again show off their sometimes telepathic relationship when One Man and his Dog (BBC 2, 9.50 pm) returns to our screens for a fifth series. The beautiful Mallean Mountain is the setting for this eight programme competition and the first competitors for this coveted championship hill from Scotland. The three shepherds and their dogs each have to control seven sheep and points are scored for various manoeuvres performed by the collie with only his intelligence and his masters call to guide him. The programme should be required viewing for all town dwellers.

To mark the 100th anniversary of his birth Radio 4 presents a portrait of Ernest Bevin entitled The Squat Goalie (7.50 pm). In the programme Anthony Howard, with the help of the memories and voices of leading politicians, trade unionists and in one case an actor, Peter Ustinov, reassesses the career of this giant of a man who overcame a humble background to become the leader of the largest trade union and, to some, the greatest Foreign Secretary of the century. The curious title of the programme is a description of him by John J. McCloy, a former Military Governor of Germany.

WHAT THE SYMBOLS MEAN: \*STEREO; \*BLACK AND WHITE; (r) REPEAT.

# Broadcasting Guide

Edited by Peter Dear

## TELEVISION

### BBC 1

6.40 am Open University: Insect Diversity, 7.05 Quantum Theory and Atomic Structure, 7.30 Open University Laboratory, Closes at 7.55.  
9.05 For Schools, Colleges: The news in French, 9.35 Maths, 9.57 Language development for young children, 10.16 Look and Read, 10.38 Religious and Moral Education, 11.00 Watch, 11.17 Television Club, 11.30 The Merchant of Venice discussed, 12.05 pm Nixon and the Real War.  
12.45 News.  
1.00 Public Bill at One. Today the programme launches an appeal to raise £10,000 to provide a "Fandack" Playbus for disabled children. In addition there will be the regular weekly series Family Matters in which domestic problems are discussed by a team of experts, 1.45 News, 2.00 News and Me, For four and five year olds (r), 2.16 For Schools, Colleges: German conversation, 2.40 Home Economics, Closes at 3.00.  
3.20 Pabot, a Cwm Welsh serial, 3.55 News, 4.00 News, 4.10 News on BBC 2, 4.20 Secret Squirrel, cartoon adventures of a nut-loving detective (r), 4.25 Jackan-

ory, Sherrin Hemson reads from the novel by Dorothy Edwards, A Strong and Willing Girl, 4.40 Isla and the Farm on the Hill, The first of five programmes describing the life of a Welsh hill farm. Presented by Isla St. Clair (r), 5.05 News, 5.10 News, 5.15 News, 5.20 News, 5.25 News, 5.30 News, 5.35 News, 5.40 News, 5.45 News, 5.50 News, 5.55 Regional news magazines, 6.20 Nationwide, Included tonight is The Fun of the Fair in which Bob Weirings tries out the stocks at Altwick, Northumberland.  
6.45 Roll Harris Cartoon Time, Four cartoons featuring Tom and Jerry and Bugs Bunny, 7.15 Ted, 7.20 Ted, 7.25 Ted, 7.30 Ted, 7.35 Ted, 7.40 Ted, 7.45 Ted, 7.50 Ted, 7.55 Ted, 8.00 Ted, 8.05 Ted, 8.10 Ted, 8.15 Ted, 8.20 Ted, 8.25 Ted, 8.30 Ted, 8.35 Ted, 8.40 Ted, 8.45 Ted, 8.50 Ted, 8.55 Ted, 9.00 Ted, 9.05 Ted, 9.10 Ted, 9.15 Ted, 9.20 Ted, 9.25 Ted, 9.30 Ted, 9.35 Ted, 9.40 Ted, 9.45 Ted, 9.50 Ted, 9.55 Ted, 10.00 Ted, 10.05 Ted, 10.10 Ted, 10.15 Ted, 10.20 Ted, 10.25 Ted, 10.30 Ted, 10.35 Ted, 10.40 Ted, 10.45 Ted, 10.50 Ted, 10.55 Ted, 11.00 Ted, 11.05 Ted, 11.10 Ted, 11.15 Ted, 11.20 Ted, 11.25 Ted, 11.30 Ted, 11.35 Ted, 11.40 Ted, 11.45 Ted, 11.50 Ted, 11.55 Ted, 12.00 Ted, 12.05 Ted, 12.10 Ted, 12.15 Ted, 12.20 Ted, 12.25 Ted, 12.30 Ted, 12.35 Ted, 12.40 Ted, 12.45 Ted, 12.50 Ted, 12.55 Ted, 1.00 Ted, 1.05 Ted, 1.10 Ted, 1.15 Ted, 1.20 Ted, 1.25 Ted, 1.30 Ted, 1.35 Ted, 1.40 Ted, 1.45 Ted, 1.50 Ted, 1.55 Ted, 2.00 Ted, 2.05 Ted, 2.10 Ted, 2.15 Ted, 2.20 Ted, 2.25 Ted, 2.30 Ted, 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